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19 SEPTEMBER 1986

Latin America Report

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URUGUAY, BRAZIL SIGN NEW TRADE AGREEMENTS

PA220017 Havana International Service in Spanish 2300 GMT 20 Aug 86

[Report by Julian Gonzalez from Montevideo--live or recorded]

[Text] Extensive optimism is being felt in Uruguay following the signing of trade agreements by President Julio Maria Sanguinetti and his Brazilian colleague, Jose Sarney. According to what has been established in these agreements, a substantial increase in trade between the two countries becomes possible, and all this within a greater overall policy, which includes agreements between Brazil and Argentina and those already signed by the Uruguayan Government with [words indistinct], Mexico, and Argentina.

It seems that regional integration has been relaunched with a new spirit based on bilateral agreements. This is undoubtedly a less ambitious path, although it is more realistic than the one started with little success 20 years ago: the multilateral agreements, of which the most notorious and representative was the now defunct ALADI [Latin American Integration Association].

Now, after the agreement has been signed the question of the actual trade exchange remains, and here is where the internal reality of Uruguayan and Brazilian economies could put a damper on present enthusiasm. A year ago, President Sanguinetti signed a similar agreement with Alfonsin, and little gain has been achieved in that direction. The explanation seems simple: Both the Uruguayan and Argentine economies are in a deep recession and both are betting on private investment. Specialists point out that the slow response by businessmen faced with the possibility of expanding their business by way of the Argentine-Uruguayan agreement, is due to a very simple reason: On both shores of the Rio Plata, the best investment and earning opportunities are in financial speculation. No one who has capital is going to invest in production, because he could reap greater benefits, without any risk, by depositing his capital in a foreign bank.

In the case of the Uruguayan and Brazilian agreements, there is a difference, because the Brazilian economy is the only one growing in this region, and Brazilian industrialists have already demonstrated great aggressiveness in marketing. The risk is serious for Uruguay. In their present open to foreign capital economic policy and total trade freedom, the country could suffer a new surge towards the denationalization process that had already started showing during the military government years.

Certain analysts have said that before regionally integrating the Uruguayan economy, it is necessary to free it internally, and this seems to be the root of the problem.

/9716
CSO: 3348/775

RADICAL YOUTH GROUP REJECTS U.S. PROTECTIONISM

PA201939 Havana International Service in Spanish 0000 GMT 20 Aug 86

[Telephone report from Buenos Aires, Argentina by Javier Rodriguez--recorded]

[Text] The national dispute over payment of Argentina's foreign debt under the country's present conditions has reemerged among different political sectors in the country. A meeting held by the National Committee of Radical Youth [Comite Nacional de Juventud Radical], the youth organization of the governing party, harshly criticized the trade protectionism carried out by the United States and the EEC, and demanded a change in the official policy regarding the foreign debt.

The youths from the Radical Civic Union, UCR, headed by President Raul Alfonsin, decided to initiate the movement for popular awareness regarding the country's foreign debt, which is a factor of dependence, and demanded a unilateral measure regarding its payment. They requested a reduction in the percentage paid or the elimination of downpayments toward the interest, which would compensate--according to the radical youths--the damages suffered due to the injustice of international economic order.

A simultaneous statement was made by the National Junta of the Christian Democratic Party, which requested that Congress suspend, limit, or reduce payments on the foreign debt as a way of defending and protecting national jobs. The Christian Democrats warned that the United States may extend the (cereal dumping) [preceding word in Enlgish] to other products linked to Argentine trade, with which it would introduce uncertainty on the market and the resulting damage to the underdeveloped countries' economies.

The statements issued by the two organizations, which even disagree on national issues, are expressions of the growing protest over the U.S. economic aggression against Argentine cereal exports.

/9716
CSO: 3348/775

ARMY CHIEF APPEARS BEFORE DEFENSE COMMITTEE

PY272138 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1605 GMT 27 Aug 86

[Text] Buenos Aires, 27 Aug (NA)--Army Chief of Staff General Hector Rios Erenu today said that "Article 23 of the National Constitution establishes when to use the Armed Forces" and pointed out that "they can be used in a war or internal commotion."

Rios Erenu indicated that "the Army has no plans to become involved in internal conflicts." Its only plans involve dealing with "external threats."

General Rios Erenu made these comments at the conclusion of a meeting that lasted over 1 hour with members of the Senate Defense Committee, which invited Rios Erenu to give the Army position on the national defense bill which has already been approved by the Chamber of Deputies.

Gen Rios Erenu pointed out that "the coordination of the military intelligence organizations should be done at the Defense Ministry level." He said that this opinion coincides with the bill but the other two branches of the Armed Forces disagree with it.

Asked about comments by Juan Manuel Casella, the candidate for Buenos Aires Provincial governor who in a newspaper article criticized the invitation from Congress to the military chiefs, Rios Erenu said that "for me this is a moment of profound emotion as a citizen because I was able to see that the democratic system works."

Gen Rios Erenu gave a press conference in the office of Senator Antonio Berhongaray, president of the Senate Defense Committee. Justicialist Senator Julio Amoedo was also present. Rios Erenu gave the senators a 13-page document with a graph stating the Army position on the bill.

Rios Erenu was the last of the chiefs of staff who explained the military position to the Senate on the defense bill.

/9604
CSO: 3348/779

MILITARY HELICOPTER CRASHES IN ANDES FOOTHILLS

PY281958 Buenos Aires Domestic Service in Spanish 1600 GMT 28 Aug 86

[Text] A helicopter crashed yesterday in the Andean area of Mendoza Province. The Lama helicopter with a crew of three on board which belongs to the 4th Air Brigade headquarters at El Plumerillo, was lost near the Cerro de Plata. Morane-Saulnier and Hercules C-130 airplanes, helicopters, and ground patrols are participating in the search. Reporter (Ibero Pongiovani) from Radio Nacional Mendoza reports:

[Begin recording] [(Pongiovani)] We are in direct contact with Vice-Commodore Alberto Catalan, head of operations of the 4th Air Brigade, regarding the helicopter lost in the Andean foothills. What news do you have, vice-commodore?

[Catalan] They spotted the helicopter a few moments ago on a slope near the top of Cerro de Plata. It is located at approximately 5,700 meters altitude, in an area that is rather inaccessible due to the weather conditions. The air rescue units cannot get close, so we cannot give, for the moment, information on the crew. We must wait for the land patrols to arrive in the area. At this moment [words indistinct].

[(Pongiovani)] Let us remember that the Zonda [a strong wind coming off the Andes] was blowing in the area. Thank you, Vice-Commodore Alberto Catalan, head of operations of the 4th Air Brigade, for the report to Radio Nacional, Buenos Aires. [end recording]

/9604
CSO: 3348/779

BRIEFS

WHEAT SOWING FIGURES--(NA-DYN)--Wheat sowings for the 1986/87 campaign are estimated to be 14.4 percent below that of the previous cycle, according to a survey carried out by the Buenos Aires Grain Exchange. The area sown with this grain is estimated to cover 5 million hectares as against 5,840,000 hectares the previous year. Experts at first forecast that the acreage sown would be even less, but later farmers became more incentivated following a slight reduction in export taxes. Climatic conditions in the grain-growing areas have been favourable with the exception of Cordoba where droughts are reported. Sowing still continues in many parts of the country, but is expected to wind up in a couple weeks. Buenos Aires province heads the wheat-sowing provinces with an estimated 2,270,000 hectares of land under cultivation, followed by Santa Fe, La Pampa, Cordoba and Entre Rios. [Text] [Buenos Aires BUENOS AIRES HERALD in English 27 Aug 86 p 3] /9604

RECA TO DISCUSS MARKET STRATEGY--Buenos Aires, 21 Aug (TELAM)--Agriculture, Livestock, and Fishing Secretary Lucio Reca left today for Australia, where he will participate in a meeting of agricultural products exporters. During this meeting, he will try to discuss a common strategy alleviate the dire consequences of the agricultural war between the United States and the European Economic Community. He made this announcement at the Minister Pistarini Airport at Ezeiza before boarding a plane at 1900 [2200 GMT] to fly to Sidney, where representatives of 13 commodities exporting countries will meet. Secretary Reca also said on this occasion that the importation of meat is not contemplated. Asked about the U.S. decision to subsidize its grain exports, Reca said that what can be done is to draw attention, with all the strength that can be mustered, to this decision that has such deplorable consequences for Argentina. Reca then added that it must not be forgotten that the countries that are our main creditors are implementing policies that hinder our effort to generate resources to pay our debts. This is a contradiction and to make the debtor countries see that this contradiction exists is a step in the right direction. [Excerpt] [Beunos Aires TELAM in Spanish 2243 GMT 21 Aug 86 PY]

/9716
CSO: 3348/775

TROOPS PREVENT BISHOPS FROM CONTACTING MARCHERS

PY290216 Paris AFP in Spanish 0147 GMT 29 Aug 86

[Text] La Paz, 28 Aug (AFP)--La Paz Bishop Msgr Jorge Manrique today reported that the military forces which have surrounded about 6,000 miners, peasants, students, women, priests, and children, who are conducting the March for Life on the Oruro-La Paz highway, prevented six Catholic bishops from contacting the marchers.

Msgr Manrique indicated that the bishops went to the Altiplano area to deliver food, water, and medicine to the marchers who left 7 days ago from Oruro and were hoping to reach La Paz to request the suspension of the closure of the mining enterprises and the dismissal of 14,000 miners.

Msgr Manrique said: Our mission is pastoral, we must take care of the needs of our brothers and take care of our people materially and spiritually. He added that the bishops waited 2 and 1/2 hours at a military post.

Regarding the soldiers, Manrique said that their actions were inappropriate because human life is sacred.

Deputy Antonio Aranibar of the Free Bolivia Movement reported that three military regiments have been deployed against the miners march and that this is creating an obvious danger to the thousands of men, women, and children who are at Calamarca, 60 km south of La Paz. The regiments are the motorized Viacha, the armored Tarapaca, and the Calama artillery.

/9604
CSO: 3348/778

MINISTER PROTESTS U.S., EEC PROTECTIONISM

PY251742 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 25 Aug 86

[Text] In Australia, Agriculture Minister Iris Rezende has stated that Brazil may oppose the U.S. and EEC protectionist policies of subsidizing foodstuff export. He emphasized that the opposition will only be political in nature, because it is difficult to compete with world powers whenever a type of procedure, which he described as risky and gigantic, is taking place. Rezende is in Australia where he is participating in a minister-level meeting of countries involved in the agricultural trade. Thirteen countries which are responsible for nearly 22 percent of world exports of agricultural products, are participating in the meeting.

During the past 5 years, world grain production increased 16 percent and grain stockpiles increased 64 percent, but exports fell 15.8 percent. According to Rezende, these data are linked to a policy of trade protectionism and export subsidies. The meeting in Australia is to discuss these problems.

In the Brazilian case, this protectionist policy will mainly affect soybeans.

The meeting will also discuss the inclusion of agriculture in the agenda of the GATT negotiations scheduled to be held in Uruguay 15-19 September.

/8309
CSO: 3342/177

BISHOPS ASK SARNEY TO PROTECT PRIESTS, NUNS

PY231800 Madrid EFE in Spanish 1341 GMT 23 Aug 86

[Text] Brasilia, 23 Aug (EFE)--The National Conference of Brazilian Bishops (CNBB) today asked President Jose Sarney to provide protection for 11 clergy members who received death threats for supporting peasants in Ceara State, northeastern Brazil, where they are struggling to own land.

The petition is contained in a letter that Fortaleza archbishop Aloisio Lorscheider sent to the chief executive. The letter was released today by the CNBB.

According to Lorscheider, 8 priests, 3 nuns, and 10 laymen have received death threats from large land owners in Ceara State. The land owners oppose the land reform program ordered by the government.

The letter states that "several killings have already been perpetrated by gunmen hired by powerful land owners, thus opposing the desire and the resolutions of the federal government."

Cardinal Lorscheider adds that "violence has escalated in Ceara (State) and that killings are increasing as the workers are getting organized in the struggle for the right to own land."

Violence in Brazilian rural areas took more than 1,000 lives in 1985, especially those of agrarian leaders who, with the support of the Brazilian Catholic Church were placing claims for land to work.

The Brazilian bishop asked the president to adopt measures "capable of safely conducting the process of a just, necessary, and urgent land reform."

This is the first official statement by the Brazilian church on rural violence after President Sarney held a meeting with Pope John Paul II in Rome in July to review the support of a Catholic sector for the claims being made by the peasants.

The meeting held between the pope and President Sarney put an end to the accusations the government had made against the church for promoting violence in rural areas through the so-called laymen's base organizations.

/8309
CSO: 3342/177

POLICE SUBMIT REPORT ON MENGELE CASE TO COURT

PY060253 Madrid EFE in Spanish 0153 GMT 6 Aug 86

[Text] Sao Paulo, 5 Aug (EFE)--The Brazilian Federal Police today submitted to the courts a report on the stay and death in Brazil of Nazi Dr Joseph Mengele, and on the persons who hid him in the country for 18 years.

The police have accused the Hungarian couple Geza Janos and Guitta Stammer and the Austrian couple Wolfram and Licelotte Bosset of hiding a clandestine immigrant. These two couples helped Mengele from the time of his arrival in Brazil until he died on 7 February 1979 on the Sao Paulo beach of Bertioga.

Licelotte Brosset [as printed] could also be tried for giving false testimony and for forgery because she prepared papers for the burial of the so-called Angel of Death under the name of Wolfgang Gerhand, the name of a corporal in the Nazi Army who gave his Brazilian documents to Mengele.

The police report is already in the hands of the federal prosecutor, who can formally charge the two couples, withdraw the charges, or ask for a more extensive investigation.

Moreover, Marco Antonio Veronezzi, chief of the Sao Paulo Federal Police, has asked the judge that the material used to identify the Nazi doctor be donated to the National Police Academy.

The judge also decides what is to be done with Mengele's body, which since 1985 has been kept in the Sao Paulo Legal Forensic Institute [IML], where scientific studies confirmed Mengele's death.

The research on the body, which was exhumed on 6 June at the EMBU Cemetery, was carried out at the IML by experts from the United States, the FRG, and Israel. These countries already have a copy of the report and its conclusions.

/8309
CSO: 3342/178

FRANCE TO MANUFACTURE TUCANO PLANES

PY261935 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Aug 86 p 2

[Excerpts] Sao Jose dos Campos--The Tucano plane, which is used for military training, and is the sales success of the Brazilian Aeronautics Company [Embraer], will be manufactured under license in France. It is currently manufactured in England and Egypt. The French Government has started negotiations with the Brazilian company to supply the French Air Force with 150 new training planes.

It was reported in Sao Jose dos Campos yesterday, that the initial conditions established by the French Government specify that the equipment for the training program must have a low operational cost, but that the quality of training must not be affected. It is also recommended that purchases be made from industries structured so that association with French partners will be possible. The French Tucano will probably have a Garret turbine engine, 45 percent more powerful, just like the one chosen by Great Britain, and some other modifications will also be made. The Tucano is the most modern plane of its kind, and it was designed so that several modifications can be made.

/8309
CSO: 3342/177

FOREIGN DEBT INCREASING 3 PERCENT ANNUALLY

PY161542 Madrid EFE in Spanish 1804 GMT 15 Aug 86

[Text] Brasilia, 15 Aug (EFE)--According to the official report that the Central Bank of Brazil issued today in Brasilia, the Brazilian foreign debt is increasing at a rate of 3 percent per year and in December 1985 totaled $105.125 billion.

The long-term registered [registrada] foreign debt totals $95.957 billion while the non-registered [no registrada] foreign debt totals $9.268 billion.

The Central Bank's "monthly report" notes in its last issue that the foreign debt increased, despite the fact that last year Brazil paid over $12,000 billion on interests and capital.

It adds that the devaluation that the dollar experienced on the international market is responsible for this increase in the debt.

The report adds that Brazil owes the IMF a total of $4.608 billion, $630 million more than in December 1984.

The Brazilian debtwith nongovernmental agencies of the member countries of the so-called Paris Club decreased from $300 million in 1984 to $134 million in December 1985.

The report adds that Brazil's international reserves decreased by $410 million from December 1985 to March 1986 and that at present these reserves total $10 billion.

/8309
CSO: 3342/178

BRIEFS

FUNARO ON DEBT, FROZEN PRICES--Minister Dilson Funaro believes that, despite the resistance of Canadian and Japanese bankers, the renegotiation of the Brazilian debt for 1985 and 1986 will be finished before 5 September. The talks involve more than 700 banks, and the only difficulty lies in the differentiated rates of interest for the short, medium, and long-term loans. Minsiter Funaro asserted that the Brazilian Government can accept some of the creditors demands, although it cannot predict the good or bad results that accepting them might later have. Minister Funaro also said that prices will remain frozen beyond 15 November and 28 February, because it is not suitable to unfreeze prices in an economy which is improving. [Excerpts] [Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 21 Aug 86] /8309

CARDIOLOGY COOPERATION WITH CUBA--Cuba's Public Health Ministry and the Heart Institute of the Brazilian city of Sao Paulo, have begun a cooperation and exchange program on cardiovascular surgery. For that purpose, Cuban specialists Noel Gonzalez, Jimenez and Andres Sabio are already in Brazil. They will spend 2 weeks at Sao Paulo's Heart Institute and will later visit the University of Rio de Janeiro. [Text] [Havana Radio Progreso Network in Spanish 1100 GMT 20 Aug 86] /8309

TREMORS IN RIO GRANDE DO NORTE--Three different tremors were recorded early this morning in the municipality of Joao Camara, Rio Grande do Norte State. While scientists are trying to find the cause and the epicenter of the quakes, approximately 150 families already left the area and 200 more are awaiting assistance from the government, which has already authorized the sending of food, tents, and medicines. In Porto Branco, some 50 families who live in the rural zone had to leave their homes because of seismic movements in the Mato Grande region. [Text] [Brasilia Domestic Service in Portuguese 2200 GMT 26 Aug 86] /8309

CSO: 3342/177

BRIEFS

NEW ATTORNEY GENERAL--His Excellency The Governor has been pleased to appoint Mr Karl Sinclair Atterbury of Jamaica to the post of Attorney General of the Virgin Islands, on contract for a period of two years with effect from 1st August, 1986. He will succeed Mr Jack Smith-Hughes who has been acting Attorney General since November, 1985. Mr Atterbury was called to the Bar at Lincoln's Inn, London in 1968 and was admitted to the Jamaica Bar in 1971. His wide experience in the legal and judicial fields ranges from Assistant Clerk of the Magistrate Court in 1959, to Crown Counsel in Department of Public Prosecutions for a period of 4 years from 1969 and Resident Magistrate from 1974 to 1981. Since 1981 he has been engaged in private practice in St Elizabeth, Jamaica. Mr Atterbury is 50 years of age and is married. His wife and their children will accompany him. [Text] [Road Town THE ISLAND SUN in English 16 Aug 86 pp 1, 2] /9274

POLICE ACT PROVISIONS--The Police Act 1986 has gone into operation. His Excellency the Governor Mr David Robert Barwick has assented to the Act which was passed at the last sitting of the legislative Council. A Gazetted Notice said the Act comes into operation on August 1st. With the coming into force of the Act are two immediate changes. The titles of Chief of Police and Deputy Chief of Police have been changed to Commissioner of Police and Deputy Commissioner of Police. Police Commissioner Mr Ronald Thompson said regulations have to be made under the law to bring effect to the other areas or reorganisation. These he said require a lot of work. [Text] [Road Town THE ISLAND SUN in English 16 Aug 86 p 4] /9274

CSO: 3298/542

PINOCHET SAID 'DESPERATE' TO REMAIN IN POWER

PA230451 Havana International Service in Spanish 2300 GMT 21 Aug 86

["Our America" commentary read by Norberto Hernandez]

[Text] One of the most recent antigovernment actions carried out in Santiago, Chile took place on Monday when the Manuel Rodriguez Patriotic Front [FPMR] kidnapped Colonel Mario Heaberle, Army chief of protocol who also carried out intelligence missions. Haeberle's kidnapping, carried out by the rebel organization in front of his home early Monday, was aimed at showing the capability of FPMR operations and warning the Chilean people about the threat of a new bloodbath planned by Pinochet's dictatorship in order to remain in power.

The FPMR said that Pinochet's desperate maneuvers have the goal of helping him remain leader of the regime for an indefinite period. Accordingly, it urged the Army to stop its support for the dictator.

The national and international public are attacking the Chilean regime so that it will return power to a democratic government elected through free elections.

In his ambition to become president for life, Pinochet has committed crimes that, instead of stabilizing his bloodthirsty regime, have encouraged the Chilean people in their decision to oust him.

The burning of youths alive, whom the police sprayed with gasoline and set on fire, has not been enough for Pinochet. On the contrary, he has been busily and artfully devising mock attacks--just like the one he came up with last week--that resulted in more government violence.

Pinochet's regime organized the farce of an alleged disembarkation of weapons carried out by a rebel group in northern Chile. The regime seized more than 1,500 U.S.-made rifles, rocket launchers, and explosives.

The dictatorship also claimed that after this discovery, the authorities detected three similar disembarkations. However, the FPMR and the Leftist Revolutionary Movement, MIR, denied this lie, stating that they had not participated in these disembarkations, and urging the national and international public to fight for the lives of the 21 people arrested by the regime in an effort to substantiate its claims. These 21 people are now being tortured.

The Chilean opposition, through the Civic Assembly, is also exerting pressure on the military regime in order to get the country to return to democracy.

The Civic Assembly just convoked a day of national protest for 4 September. To top it off, even fascism's best ally, the United States, has sent special delegates to meet with Pinochet to make the return to democracy feasible, in view of the concern that there will be an uncontrollable revolutionary explosion among the Chilean people.

Pinochet's regime has not finished with local repression. It also violated international law when it carried out espionage actions against embassies in Santiago, looking for alleged evidence that threatens the dictatorship. The Spanish Government has just demanded an explanation about the espionage actions carried out by the Chilean security service against its diplomatic mission in Santiago.

/8309
CSO: 3348/774

CHILE

BISHOP CONTRERAS DISCUSSES COEXISTENCE WITH MARXISTS

PY190356 Madrid EFE in Spanish 2035 GMT 17 Aug 86

[Text] Santiago, 17 Aug (EFE)--Bishop Sergio Contreras, the secretary general of the Chilean Episcopal Conference, has said "ways must be found to coexist" with Marxists. Msgr Contreras made this statement during an interview published in LA TERCERA today.

The bishop said that Christian and Marxists "live in the same country, districts, streets and even work together, which leads to the conclusion that ways must be found to coexist."

About the role of the Chilean church in its relations to the government of General Augusto Pinochet, during the last 13 years of military regime, the bishop explained anyone "committing himself by telling the truth and reporting wrong doings runs the risk of annoying some people. However, we cannot be accused of being imprudent for running that risk. This is what the Lord is asking us to do."

In relation to the accusations made by the government that the opposition is responsible for the violence and deaths during the 2 and 3 July protest and strike, Msgr Contreras said: "Too many events without justification are taking place and there is no logic to them." The bishop reiterated that the 13 leaders of the opposition Civic Assembly, who were arrested 1 month ago on charges of violating the State Security Law, "are peaceful men with the right to ask for what they have asked. They have used peaceful means." The regime has accused them of trying to destabilize and overthrow the government and they are being tried in accordance with articles of the State Security Law.

Regarding the consequences that the 13 years of dictatorship is having on Chileans, Msgr Contreras said: "The sufferings are breaking down the souls of Chileans."

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CSO: 3348/774

MERINO SAYS CONSTITUTIONAL CHANGES UNDER STUDY

PY270253 Santiago Radio Chilena in Spanish 2300 GMT 26 Aug 86

[Text] Admiral Jose Toribio Merino Castro has stated that the changes which the legislative branch is going to propose in the 1980 Constitution are ready but cannot yet be made public.

Merino Castro was told that the National Accord proposed changing the Constitution in order to hold open elections in 1989.

[Begin recording] [Reporter] Admiral could the Government Junta consider that possibility?

[Merino] I cannot say because I do not know what changes we are going to propose. I do not know that yet because [words indistinct] are ready but they are not publicly known.

[Reporter] When are those changes going to be proposed?

[Merino] When we reach an agreement to change the Constitution.

[Reporter] Will the changes be made soon or closer to 1989?

[Merino] I cannot say that yet because [words indistinct]

[Reporter] Why so much secrecy, Admiral?

[Merino] There is no secrecy. I cannot talk about something I do not know. How can you want me to talk about something I do not know. [end recording]

Admiral Merino then said: The Constitution must be changed in some aspects, and to do that it is necessary to hold a plebiscite, it is necessary that the electoral registry be ready and that Chileans be registered.

[Begin recording] [Reporter] The members of the National Accord indicated yesterday that they are going to work so that direct elections can be held in 1989 and the people can elect their leaders.

[Merino] I am not aware of [words indistinct]

[Reporter] But they are willing to reach an agreement with civilians and militarymen.

[Merino] Fine, if they can.

[Reporter] Would you be willing to meet with the members of the National Accord?

[Merino] I am willing to talk with anyone who can speak intelligently without hate and without thinking that we want violence. We can talk with the people who want to live in peace and tranquillity but not with the others. [end recording]

Admiral Merino was also asked about the new charges filed against CAUCE magazine. He said: I do not read that magazine and you know why.

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CSO: 3348/774

SMUGGLED ARMS CACHES REPORTED TO UN, OAS

PY281859 Madrid EFE in Spanish 2153 GMT 27 Aug 86

[Text] United Nations, 27 Aug (EFE)--Chile today denounced before the OAS and the United Nations the discovery of the "subversive war arsenals" which had been smuggled into Chile, and requested international cooperation to investigate their origin.

The Chilean representative to the OAS, Javier Illanes, and the Chilean ambassador to the United Nations, Pedro Daza, presented full reports to both international organizations on the discovery of the arms. Official sources have said that the arms came from a foreign country and were intended for the guerrillas.

Javier Illanes' report to the OAS Permanent Council included photographs of the seized arms which he said were "intended for subversive operations and urban guerrillas whose final objective is the start of civil war."

Pedro Daza's report to the UN Security Council and the General Secretariat says that there are indications that the arms came from a foreign country and that this "affects national security" and is of interest to the international community.

Illanes' report says that the arms, valued at $10 million and with a total weight of 50 tons, arrived on the Chilean coast aboard foreign fishing ships, and were later transferred to smaller ships during the night.

Illanes added that "they believe" that the vessels "were Soviet fishing ships," but they had not mentioned it in the report because of a "lack of evidence."

Pedro Daza, when asked about reports coming from Chile mentioning the transport of arms on a Cuban ship, said that the note delivered to the president of the UN Security Council, Ambassador D.H.N. Alleyne of Trinidad and Tobago, does not say anything about the origin of the arms or the ships on which they were transported.

Illanes said that the report presented to the OAS lists 3,115 U.S.-made M-16 automatic rifles, and 114 RPG-7 rocket launchers made in the Soviet Union, in addition to numerous other arms.

According to the document presented to the UN, the arsenal included 1,965 U.S. M-16 U.S. rifles, 1 million rounds of ammunition, 99 Soviet rocket launchers and 816 rockets, 1,979 Soviet hand grenades and other types of war materiel.

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CSO: 3448/777

HAVANA ON FPMR'S CAPTURED DOCUMENTS

PA272357 Havana International Service in Spanish 2300 GMT 26 Aug 86

["Our America" commentary read by Norberto Hernandez]

[Text] Only 15 days ago, a political scandal broke out in Chile which showed just how far the United States pulls the strings that control the fate of the Chilean regime. Once again there are new reports and revelations about the meddling that seeks, through accelerated plans, to change the worn-out militarymen and to maintain U.S. domination in that South American country.

In the first days of August, the U.S. press reported to the international public the leak of secret Chilean Army documents that not by chance ended up in the hands of the U.S. Central Intelligence Agency. On that occasion, the scandal centered on ultrarightist Senator Jesse Helms who reportedly had told his good friend, General Augusto Pinochet, about the matter. Since the Chilean regime felt tied hand and foot, it remained silent and let Senator Helms defend himself as best he could, hypocritically proclaiming his innocence everywhere.

General John Galvin, chief of the U.S. Southern Command, visited Chile during those days. He arrived in Santiago not to calm down any aroused feelings but to proceed with the vast changeover plan. According to the documents found in the possession of Colonel Mario Haeberle who was kidnapped and a short while later released by members of the Manuel Rodriguez Patriotic Front [FPMR], Gen Galvin stressed that the U.S. Army has an obligation of knowing in detail the behavior of its Chilean counterparts and that therefore, no one should be surprised about what he described as routine intelligence operations, common among any armed institution.

It is therefore very clear that in accordance with Galvins' statements, the CIA control over the Chilean Army is only a routine operation. However, the documents seized by the FPMR reveal something that goes beyond intelligence work. After criticizing the loss of efficiency and leadership which, according to Gen Galvin, the Chilean Armed Forces are experiencing, the documents stressed that the military men must clearly understand that the country's economic and political future is based on increasing foreign investment, especially from the United States, and that the basic task of the Armed

Forces is guaranteeing internal order and security. The documents added that the U.S. Government has carefully studied the Chilean situation and has reached the conclusion that Augusto Pinochet is finished from the strategic standpoint because after being in power for 13 years he has been unable to eradicate communism or to achieve national stability.

According to these documents, the level of repression unleashed by the Chilean Army is not enough. For the White House, the guaranteeing of internal order and security entails more than torching and brutally torturing opponents. What the U.S. Administration is really criticizing is not the Chilean military's lack of vigorous repression but its inability, despite everything, to stop the opposition which can lead to an unwanted and unfavorable change. That is why the maneuvers against Pinochet have recently increased in the search for a replacement who will maintain the current status quo.

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CSO: 3348/777

BUSINESS LEADER REJECTS U.S. CONDITIONING OF CREDITS

PY211521 Santiago Domestic Service in Spanish 1030 GMT 21 Aug 86

[Text] Manuel (Felliu), president of the Business and Production Confederation, has noted that the (?alleged) U.S. pressure [words indistinct] will not only affect the present government, it will affect future political system as well.

(Felliu) added that such pressure can also be described as an attack against all Chileans no matter what their political stand. He made this comment at the end of a meeting he held with Foreign Minister Jaime del Valle.

[Begin (Felliu) recording] I believe that it is very negative for this kind of aid, which is provided to all countries throughout the world, to be conditioned in our country on a problem of a political nature.

I believe that this may happen to any kind of government. Therefore, it not only affects the present government but it may affect future governments. Consequently, I believe this is an attack against all Chileans no matter what their political stand, or whether they are in favor of or against the dictatorship.

I believe this is an attack against our way of life; our possibilities for development and the eradication of poverty. I believe that this is a very serious problem that all Chileans must be aware of.

I believe that all this is very serious. I believe all this is dangerous because on the one hand, they want to intervene in Chilean domestic affairs, and on the other hand, to pressure the Chilean people through the granting of credits. [end recording]

Manuel (Felliu) noted that the business and production confederation has the duty to seek the path to national reconciliation because private enterprise develops and exists only in a peaceful society.

[Begin (Felliu) [as printed] noted that the business and production confederation has the duty to seek the path to national reconciliation because private enterprise develops and exists only in a peaceful society.

[Begin (Felliu) recording] The confederation has the duty to seek paths that will allow us to achieve a reconciliation because private enterprise only develops and exists in a peaceful society.

Therefore, we shall seek all necessary paths that will help us achieve social peace. [end recording]

Manuel (Felliu) added that Chile has a prosperous future but this demands the efforts of all Chileans.

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CSO: 3348/774

BRIEFS

POLICE ARREST PROTESTERS--It has been reported in Santiago that on Wednesday, military elements of the Chilean regime arrested more than 50 persons who were participating in protest activities in Santiago, which had been convoked by the opposition's Civic Assembly. The police used cars with cannons to disperse dozens of demonstrators who were in front of the Court of Justice. The demonstrators gave a letter to Supreme Court Chief Justice Rafael Retama criticizing the way justice is administered in that South American country. Meanwhile, other groups went to the Plaza de Armas in downtown Santiago, where they shouted slogans against the regime and demanded a prompt clearing-up of the most recent killings in Chile. In front of the Trabajador Hospital--where Carmen Quintana is dying--several persons were dispersed by the Carabineros. The young lady was set on fire by regime troops during the general strike of 2 and 3 July. [Text] [Havana International Service in Spanish 1600 GMT 21 Aug 86] /8309

EXILES DEMAND RIGHT TO RETURN--We exiles reaffirm today the undeniable patriotic commitment and duty of resolutely struggling at this time to establish democracy in Chile and the right to live in the fatherland. Aware that this inalienable right, as well as all the rights violated and trampled by the dictatorship, must be achieved with the unceasing struggle of our people, the tireless struggle of the exiles, and the international solidarity, we issue a call to the organizations of the UN system, the human rights groups, governments, parliaments, and the international community to redouble their solidarity efforts for the recovery of democracy in Chile and an immediate end to exiles. Democracy in Chile cannot be fully self-determined as long as the tyrant remains in power, as long as the rights of citizens are violated, and as long as thousands of patriots live far from their homeland, scattered throughout more than 35 countries of the world, separated from their families, roots, and traditions. The Chilean exiles believe that it is urgent that they struggle for their return. They want to return to struggle for democracy now, to return to be alongside our struggling and heroic people to share the pain and suffering and the happiness of struggle and victory. [Communique issued by the Committee of Solidarity with the Chilean Antifascist Resistance in Havana on occasion of the Day of the Chilean Exile on 20 August; read by Committee President Mireya Baltra] [Text] [Havana International Service in Spanish 0000 GMT 21 Aug 86] /8309

WEALTHY NEIGHBORHOODS SEARCHED--Today Chilean policemen and military troops conducted random searches of houses in wealthy neighborhoods of Santiago looking for army Colonel Mario Haeberle, who was kidnapped by the Manuel Rodriguez Patriotic Front on Monday. Parts of La Reina, Los Condes, and Providencia neighborhoods, as well as the parish building of the La Salle Catholic School were thoroughly searched by groups made up of Army, Carabinero, and the security services forces. In Santiago, military troops used cars with water cannons to disperse dozens of demonstrators, and arrested more than 50 people who were participating in the protest demonstration convoked by the Civic Assembly, the largest opposition force. The Chilean capital was virtually occupied early today and according to Defense Minister Patriotic Carvajal, the possibility that the government declare a state of siege has not been ruled out yet. [Text] [Havana International Service in Spanish 2300 GMT 21 Aug 86] /8309

ARCHBISHOP CRITICIZES TRIAL DELAY--Santiago, 24 Aug (TELAM-EFE)--Concepcion Archbishop Msgr Jose Manuel Santos has criticized the delay of the trial in the case involving the death of three people in an alleged confrontation. He added that if a crime like this is not solved quickly, there can be no faith in Chilean justice. Msgr Jose Manuel Santos, the archbishop of Concepcion located 500 km south of Santiago, invited reporters to his office and expressed a public protest over the delay of the trial in the crime that occurred on 23 August 1984. Officials have indicated that the three victims were members of the Movement of the Revolutionary Left (MIR), and that they were killed in a confrontation. Msgr Santos protested because the investigation was kept secret so that the lawyers are working blindfolded. He said that it is very serious when crimes are committed and no one is punished, and when the people who committed the crimes continue to work in security organizations. The archbishop indicated that the intelligence services are necessary for an investigation, we criticize the procedures they use, attacking, torturing, and illegally arresting people. [Text] [Buenos Aires TELAM in Spanish 1426 GMT 24 Aug 86] /8309

PINOCHET SCORES BIASED SECTORS--President Augusto Pinochet today lashed out at the actions carried out by certain foreign sectors that view the Chilean status quo from a biased viewpoint. The president made this remark when he received the credentials from the new FRG Ambassador Horst Kullak-Ublick. During the ceremony the Chilean Chief Executive said that the Chilean Government appreciates the efforts made by the FRG to understand the extent of Chief's institutional development. Meanwhile, the German diplomat emphasized that Chile is facing a stage of pending decisions, and he reaffirmed that the FRG feels that the Chilean people have the necessary qualities to overcome their problems and work constructively to shape their future. Ambassador Kullak-Ublick also expressed his hope that prudence and tolerance will guide those who must make the decisions in Chile. The FRG ambassador followed the new Japanese Ambassador Shuichi Nomiyama who also presented his credentials to President Augusto Pinochet and emphasized the cooperation prevailing between Chile and Japan. [Text] [Santiago Radio Chilena in Spanish 2300 GMT 25 Aug 86] /8309

INCIDENT WITNESSES HARASSED--The UN expert who is studying the human rights situation in Chile has said in Geneva that his report to the General Assembly will include the testimony of those who saw how soldiers torched youths Rodrigo Rojas and Carmen Quintana on 2 July. Rojas' mother, who traveled to the Swiss city to meet with the UN expert, charged that the Pinochet regime has been manipulating the case, and pressuring and harassing all the witnesses. In Santiago, the regime released two of the witnesses to the burning of the youths. The sister and brother-in-law of Carmen Quintana, who was seriously injured in the incident in which Rojas died, had been arrested on 25 August to reply to charges that they allegedly had weapons. Another witness arrested on 23 August will remain in jail and will be tried. [Text] [Havana International Service in Spanish 2300 GMT 27 Aug 86 PA] /6662

REPRESSION AGAINST PRESS--The Chilean military regime has ordered the imprisonment of five employees of CAUCE magazine, including Jorge Ovalle, president of the board of directors of the social-democratic publication. The military argues that CAUCE voiced doubts as to the alleged discovery of an arsenal, that--according to the Pinochet Army--was destined for Chilean guerrilla organizations. A PRENSA LATINA contributor in Santiago, Chile, (Claudia Lanzaroqui), had published reports in the magazine about Carabineros intelligence serve deserters who referred to serious human rights violations by that militarized police. Her arrest was also ordered, and the action led to increase repressive escalation by Pinochet against the Chilean press. Three radio stations have already been closed, while the director and several columnists of the magazine ANALISIS have been arrested. [Text] [Havana International Service in Spanish 1600 GMT 27 Aug 86 PA] /6662

POLICE ARREST 37 STUDENTS--In Chile, 37 students were arrested yesterday when police cleared the Economy Department of the University of Chile, which had been occupied by hundreds of youths. The students were demanding an end to military intervention in the country's universities. Three other youths, members of the Socialist Party, were arrested by security agents of the National Intelligence Center, according to reports from Santiago. No other details were issued. [Text] [Havana International Service in Spanish 1600 GMT 28 Aug 86 PA] /6662

CSO: 3348/777

BIOGRAPHIC PROFILE OF PRESIDENT VIRGILIO BARCO

Bogota CROMOS in Spanish 5 Aug 86 pp 21-23

[Article by Pedro Claver Tellez]

[Text] Virgilio Barco, the new president of the Colombian people, is a technocrat and a politician, who formed his career dissociated from Manzanillism and demagoguery. Born in Cucuta 65 years ago, he has been a council member, senator, minister, and diplomat. He has a reputation of being unsociable, but he is a serious, disciplined, hard-working man who will operate "at an engineer's pace."

In 1928, when Virgilio Barco made his First Communion, Colombia was starting to undergo a major economic crisis and noteworthy events involving public order. The extended Conservative supremacy was about to end, and its last president, Miguel Abadia Mendez, a faint-hearted, orthodox individual, allowed and perhaps sponsored the harshest wave of repression ever known up until that time. Hundreds of workers were massacred on the coastal banana plantations and in the Barrancabermeja oilfields. The violence became widespread in rural areas.

The social upheaval at that time (a forerunner of the regaining of political power by the Liberal Party in 1930) was like that of today, when the country is struggling amid many conflicts involving public order, guerrillas, unemployment, injustice, and poverty. On 8 June 1928, a precedent for the accursed 9 April 1948, a student was killed and the government's discreditation became extensive, just as is happening at present, on the ashes of the Palace of Justice.

About 1931, after leaving the Christian Brothers' school, Virgilio Barco began his studies for a diploma at the Cucuta Provincial School. He is remembered as "a proper, dignified, serious, cultured, and studious boy." They say that, although he used to play with all the other students, basketball in particular, he was more inclined toward books.

Two years later, in 1933, Brother Pedro Betancur, one of his teachers, received the assignment of taking young Virgilio to Bogota. According to Brother Betancur, the trip lasted 5 days, 3 on horseback and 2 by car. They had to withstand difficult days of journeying which took them to Chitaga, over the barren ridge of Paramo del Almorzadero, descending to Concepcion and Capitanejo. Later, they were to arrive at a city which was then gloomy, and completely dissociated from the Cucuta environment.

But those horseback rides along ancient horseshoe trails made a permanent impression on the 12-year old youth. They say that he felt like an explorer and an adventurer, and that, thanks to them, he had an even greater understanding of his grandfather, Gen Virgilio Barco, from Piedecuesta, for whom he had great admiration. He was, precisely, one of the settlers of Catatumbo, a man who enjoyed opening up fields and land to civilization.

Engineering, an Indomitable Passion

Thereafter, young Virgilio distinguished himself as an excellent horseman, and conceived the notion of becoming an engineer. These were the years of Enrique Olaya Herrera, the National Concentration president who, although he had been elected by the Liberals and some Conservatives, had to face a difficult crisis marked by Conservative violence.

Upon returning to his native region, he engaged zealously in his studies for a diploma which he completed 3 years later, at the Provincial School. He later entered the National University, where he began studying civil engineering. From the National University, he transferred to Massachusetts Institute of Technology which, at that time, was the top-ranking institution for university education, where he received his engineering degree in 1943, during the second administration of Lopez Pumarejo, a greatly disrupted period which was already auguring the Liberal crisis. He was 22 years old, and had an immense calling to service.

Between the Profession and Public Service

When he returned to the country, Virgilio Barco was elected a council member for Durania,Norte de Santander. He would later hold that position, consecutively, in Cucuta and Villa del Rosario, the native region of Gen Francisco de Paula Santander. They claim that his work as a council member in these towns was so effective that he attained the chairmanship of the town councils on several occasions.

He began his public service career as secretary of public works and finance for Norte de Santander; a position in which he engaged in great activity that merited him an appointment as secretary general of the Ministry of Communications and an assignment to occupy the ministry.

Like all Liberals, he experienced hard times during the governments of Laureano Gomez, Roberto Urdaneta Arbelaez, and Gustavo Rojas Pinilla; periods marked by a definite sectarian flavor, with persecution and exile. He was a close friend of Jorge Eliecer Gaitan, who named him head of the Liberal Party in Norte de Santander; a position in which he devoted himself to the defense of his fellow party members, victims of persecution and murder.

During those difficult times, Barco was nevertheless typified by poise and serenity, qualities which, with the passage of time, were to become a constant feature in his political life.

The Technocrat and the Executive

Between 1950 and 1954, when the country was caught up in serious social conflicts, Virgilio Barco traveled to the United States to study social and economic sciences at Boston University and Massachusetts Institute of Technology, where he completed the academic requirements for a PhD.

Four years later, in 1958, when Alberto Lleras Camargo assumed the presidency as the first chief executive of the National Front, Virgilio Barco was named minister of public works. He thus began his career as a high-level executive when he was only 37 years old.

Some years previously, in 1950, he had married Carolina Isackson, an American who had resided in Cucuta since the age of 7, an amateur pianist, and a woman of great literary and artistic culture. Her thesis for a degree in philosophy and letters from Stanford University dealt with the Spanish author, Benito Perez Galdos, specifically, his work, "The National Episodes," a novel which describes the perfection of the Spanish and Latin political spirit.

Embassies Build Presidents

After his passage through the Ministry of Public Works, during the Lleras Camargo administration, Barco began his rise to the presidency of the republic; or, rather, he began taking the necessary course for attaining it. Between 1958 and 1965, his administrative career became consolidated. In addition to the positions that we have already mentioned, Barco has held the following:

President of the Eighth Pan-American Highway Congress; minister of agriculture; in charge of the Ministry of Finance and Public Credit; magistrate of Bogota; and executive director of the International Bank of Reconstruction and Development, representing Colombia, Brazil, Ecuador, the Philippines, and the Dominican Republic.

Member of the Foreign Relations Advisory Commission, and ambassador to the Community of the Bahamas, he has been sent on special missions to many countries and is a member of various professional and academic associations, both native and foreign. In the diplomatic realm, he has been ambassador to London and Washington, two embassies which build presidents.

The best school, the only school (because these things are not learned in the university), is public experience. Barco has also been a member of the Higher Council of the National University, representing the Supreme College of Academies. And if one of the national problems is agriculture, it should be recalled that he has not only been a minister for that area, but also a member of the Central International Council for the Improvement of Corn and Wheat, in Mexico.

One could fill many pages with his career; so, to conclude, we should add that Virgilio Barco's long public career has merited him not only the position of president, but also the confidence of all Colombians, who see in him the technocrat and the executive capable of extricating us from our predicament.

A Reliable Executive and an Honest Man

One of the new president's best credentials is his reliability. We Colombians are witnesses to the fact that, during his presidential campaign, he was never seen making futile promises nor with the signs of demoagoguery and opportunism that have typified other candidates. On the contrary, he is a man alien to any type of promises, who detests populism.

He says: "A populist or a demagogue exploits the people's poverty, suffering, or unequalities to accrue political gains. He is, as his name indicates, concerned only with being popular or winning votes. To achieve this, he will make as many promises as necessary, without regard for studying which measures he must adopt to keep them. The Liberal position, on the other hand, is one of advancing as far and as fast as possible in the direction of the process. A Liberal will not promise more than he can accomplish, but he will not cease to advance in the search for means to see to it that the benefits of economic progress are shared by all the members of the society, particularly those who are unprotected."

It is a clearcut position. As his background attests, Barco is a builder, an executive. In 18 months, he built 300 kilometers of the Atlantico Railroad, finished the Bocas de Ceniza projects, and gave an impetus to the main highways plan. It would take too long to list his projects. But the combination of a team person and an individualist executor should be stressed in his personality; something that the country needs.

Another feature is his integrity. Among the many stories demonstrating this feature in him, there is one that is worthwhile recounting. A few years ago, while he was studying in the United States, he left an imperishable impression at the residence in which he was living. A Colombian student, whose name we are keeping confidential, arrived there requesting to rent a room.

The landlady, upon learning that this student was Colombian told the new tenant: "Welcome, sir, to my house. You will have no problems with me. I know many people from your country, especially a young man...." The student, amazed by the fact that, finally, someone should speak well of the country, and that he could boast of being Colombian, said, without concealing his emotion: "Very well, lady, I suppose that I must sign a contract or something of the sort, won't I?"

The lady replied: "Don't worry, there is no need for that. You Colombians are special people, and I know that you can even pay in advance."

What is the secret about this story? Simply that Virgilio Barco was the tenant who preceded that student. And the lady believed that all Colombians must be like him.

This is the image of the man who will be governing us. Starting this Thursday, with the cards on the table, the country will be in Barco's hands. And some claim that this is the last opportunity that the Liberal Party will have in this century to vindicate itself. Otherwise, they maintain, an ideological disaster will come, which will bury it with the century.

2909
CSO: 3348/764

COMMENTARY VIEWS EAST-WEST CONFLICT IN CENTRAL AMERICA

San Jose RUMBO CENTROAMERICANO in Spanish 1-7 Aug 86 p 10

[Article by Oscar Alvarez]

[Text] Although it may seem obvious, it must be reiterated: The two superpowers are intervening in Central America. The United States' intervention is more than a century old. The Soviet intervention began to be systematic after the victory of the Cuban revolution, and has become heightened during the past 5 years. The United States enjoys the advantages and suffers from the disadvantages of being the traditional actor: its grandeur and its meanness are by now well known. The meanness of the Soviet intervention is better known in other scenarios. The United States' intervention is more public than the Soviet. The Soviets approach the prey through regional allies who operate secretly. Both superpowers are warring with troops of "third countries." The United States is fighting with Salvadoran troops and Nicaraguan commandos. The Soviets have advanced with Nicaraguan troops, Salvadoran guerrillas, and Cuban advisers. It is far more likely that the United States will end up using its own troops on Central American soil than that the Soviets would do the same. Nevertheless, in an escalation of the war, the Cubans could become involved on behalf of the USSR. The United States' allies are an insurgent force in Nicaragua, and a counterinsurgent force in El Salvador. The USSR's allies are an insurgent force in El Salvador, and a counterinsurgent force in Nicaragua. The two forces which are warring to achieve supremacy in Central America are being backed by the spy satellite systems of the two superpowers.

Who is winning the Central American conflict? If we compare the political geography of the region in 1978 with that of Central America in 1986, we could assert that the USSR and its allies have advanced substantially. But if we make a comparison between the state of war in 1985 and 1986, we would conclude that the Reagan administration and its allies in the region have reacted with some degree of success. In other words, when the conflict is viewed from a "macro"perspective of about 7 years, one would say that the Soviets and their allies are still the offensive force. But, when the same conflict is viewed from a "micro" perspective of last year, one can claim that Reagan and his allies have taken initiatives that are increasingly isolating their enemies. The Salvadoran guerrillas have yielded positions, and the Managua government is generating new antibodies in both the internal and external areas.

How long will the conflict last? There are at least three responses that would be useful to discuss in academic and political forums. There is the response of the "optimists of militarism," a group of analysts and politicians who expect that, one of these months, the "marines" will enter Nicaragua and, in a matter of a few days, will put an end to the Central American conflict. This group trusts in the "Dominicanization" of the area. The weakest aspect of this response consists of the failure to realize that the international and regional system of 1986 is quite different from that of 1965 (the year of the Dominican Republic's invasion).

There is also the response of the "optimists of international law." They, who are generally devotees of the Contadora Group, claim that, within a short time, the Contador Group's Peace Act will be signed and, after a few refinements and international controls, the Central American conflict will end. The main objection to this response would be to recall that the primary actors in this conflict are not exactly distinguished for a record of respect for international law. There is a third response: the one considered by analysts and politicians from the two warring factions. I have read it in the works of conservative authors, from "think tanks" in the United States, and I have heard it from the Nicaraguan ambassador to Costa Rica in a recent dissertation: The Central American conflict could spread in time, like the conflict in the Middle East. In other words, the actors should be prepared for a battle of at least about 40 years. Based on this hypothesis, the Central American conflict is just beginning. This response sounds fictional and like an Apocalypse, but it should not be precluded in a century wherein political history has often been confused with fiction and with the Apocalypse. In conclusion, two questions: For which of the three alternatives is the Sandinist People's Army preparing? For which of the alternatives are Costa Ricans preparing?

2909
CSO: 3248/602

COMMENTARY CALLS FOR PROMPT REPLY TO NICARAGUA'S ICJ SUIT

San Jose RUMBO CENTROAMERICANO in Spanish 8-14 Aug 86 p 9

[Article by former Costa Rican Foreign Minister Carlos Jose Gutierrez]

[Text] Costa Rica's position toward the International Court of Justice in The Hague has been the same as the one held regarding other world and regional agencies. Costa Rican governments have been willing to accept international obligations, and to acknowledge the importance of strengthening the organs attempting to see to their fulfillment, without any objection to their power to monitor, inspect, or control. We have observed in those entities the means of defense, and not an inconvenient policing. It is in accordance with those guidelines that we have accepted the Court's jurisdiction: first, by ratifying the Inter-American Treaty on Peaceful Solutions; later, through an express statement; and, finally, with a symbolic act executed by the then President Luis Alberto Monge, at the Court's headquarters during his visit to Europe in 1984.

This background has created an impossible solution in the case of the suit brought by the government of Nicaragua; that of rejecting the Court's authority. There have been so many clearcut, unequivocal ways in which the country has expressed its willingness to accept the Court's jurisdiction that, when the time has come that a suit has been filed against it, the Costa Rican Government must make good on its word that has been given. Today's action must be in keeping with the statements of yesterday, and the day before yesterday.

The possibility that the Nicaraguan Government hinted in the note in which it reported having filed the suit, namely, that we might resume bilateral negotiations to establish a border guard force between the two countries, may exist. Negotiation has been an accepted and practiced policy, and there might be nothing wrong it with except that, under the present circumstances, it would mean yielding to blackmail, giving in to coercion. In view of the terms of the suit and the manner in which it was initiated, without being announced, the nation's dignity precludes sitting down to discuss border problems with the Sandinist government. It has notified us that we must hasten to sit down at the negotiating table, or be confronted with a suit before an international court. That pressure cannot receive any response other than to answer the suit.

Hence, it must be accepted that we have been sued, and we must give a response; which poses no problem. The grounds for this action are that the Nicaraguan Government thinks that we have attacked it; something which, of course, is completely untrue. It is the Sandinist regime that has attacked Costa Rica. First, it attempted to deprive us of the right to free navigation on the San Juan River; then it carried out countless acts of aggression, concerning which there are documents and other evidence. The attacks had their climax when two civil guardsmen were murdered in Las Crucitas, during 1985. This latter incident was investigated by the Organization of American States (OAS), which confirmed how the attack had been carried out, and it was eventually admitted in a letter from the president of Nicaragua. There is at least one incident in which the main witness for the prosecution would be the commander and president, Daniel Ortega.

This being the case, there is no doubt that Costa Rica could defend itself before the Court in The Hague. Our adherence to law and our devotion to peace must be combined with a patriotic spirit. We must be willing to fight, to put into effect all the pleas and defenses, and to file a countersuit that will make it possible to air all of Nicaragua's attacks against Costa Rica.

There is a series of inevitable steps: to open an embassy in The Hague, and fill it with an expert in international law, who would perform the important task of being our permanent point of contact with the Court of International Justice. We must establish a team of national legal experts in which the majority parties willing to attest to their patriotic spirit and to take on the defense of national interests would be represented, with per diem and traveling expenses, but without fees, which are not fitting when one is serving the nation. Finally, it will be necessary to seek advice from foreign experts in litigation in the Court, to provide details of a purely technical nature. Measures of this kind will make it possible to keep the costs within the country's potential.

One must always be willing to fight for the national interest. In the present case, before a court of law, it is something that makes the task even easier. Hence, the government should prepare to carry out the task, and to have the support and solidarity of all citizens who trust that we are right, that we must know how to request and expect that it will be acknowledged for us!

(Note: With this article, Mr Gutierrez begins his contributions to RUMBO.)

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GUIDO FERNANDEZ DISCUSSES PRESENT, FUTURE ROLE IN GOVERNMENT

San Jose RUMBO CENTROAMERICANO in Spanish 25-31 Jul 86 pp 6-7

[Article by Ana Lupita Mora]

[Excerpts] From tramping about in the mud and struggling with communal problems, mainly in the rural zones, to serving as representative to the White House--this is the step Guido Fernandez will take in a few months, when he leaves for Washington. His basic assignment will be to reestablish the image of Costa Rica, which he believes has become somewhat tarnished, in U.S. political circles.

Aware of the implications for him personally of leaving a post of national importance to go abroad, Guido Fernandez will take up this "new challenge" regretfully, because he is not reticent about his satisfaction with the work he has been doing in the Ministry of Government and Police.

Don Guido, whom we accompanied on a tour of the Central Pacific districts--Quepos, Parrita and Garabito--on 18 July, says that he agreed to go to Washington because he is always open to "new things, enriching experiences, and because I want to be of help to the government of Oscar Arias and the country."

The influence this lawyer and journalist of 53 has achieved in the post he took up last 8 May is well known. He has visited about 30 districts in a little more than 2 months, for the purpose of gaining personal knowledge of the most pressing problems in the rural communities.

The lack of police protection, linked with the personnel shortage in the Rural Assistance Guard (GAR), drug consumption, smuggling and migratory problems, among other matters, have been the focus of his attention.

When he reached the port of Quepos, the district representative of the GAR was waiting for him with an undocumented alien, whether "Chinese or Korean" he did not know. Don Guido tried to talk with him, but could not, since the man did not speak Spanish.

This intellectual, known mainly for his writings and television commentaries, was greeted with military salutes by his subordinates. However, he did not know how to respond in military fashion, and merely offered them his hand.

Ambassador

He began to respond to the questions posed by RUMBO CENTROAMERICANO as we proceeded along a dusty road leading to Parrita. Fernandez gave an account of his professional career, which was dotted with periods of insecurity, because he believes he makes "whirlwind" decisions, a process which has its risks.

"I left LA NACION seeking a challenge. I went first to television and from there to politics, and then participated in the electoral campaign along with Oscar Arias. Then I became a minister and now I am going to Washington." Concerning this appointment, he said: "Oscar insisted, and told me that I was his candidate for this embassy even before my appointment to the Ministry of Government, and that he had only failed to offer it to me because he believed I would not be interested. After 4 months and a long search, he concluded that I was the man who best met all his requirements."

However, this appointment was not merely a matter of an offer and an acceptance. Fernandez made it clear to the president that he is not wealthy and that the embassy in Washington is a poor one, such that only someone with money could represent "the country on a respectable level." He pointed out the numerous difficulties encountered by the preceding representative, Federico Vargas, and the limitations to which he was subjected, and he also set forth a series of matters which the government will have to take into account in order to ensure its diplomatic representation on a suitable level.

He explained that the specific functions to be carried out at the White House and with the Organization of American States will be divided up. He believes that the representation of our nation will be more functional and efficient this way. The economist Silvia Saborio will be assigned as alternate ambassadress, and she will take charge of all matters pertaining to the sources of foreign financing which are administered from the United States, such as the International Monetary Fund, the Inter-American Development Bank, the World Bank and the Agency for International Development.

He also stated that Minister of Foreign Relations Rodrigo Madrigal Nieto will propose the economic reorganization of the diplomatic headquarters to the legislative assembly within the next few days, with a view to providing it with the indispensable minimum of resources. This will include an allocation for equipping the residence once it is built (the former residence burned), and an allocation for foreign ministry expenditures and the leasing of offices, since the current premises are inadequate. In addition, an allocation for representation costs will be requested, since he says the sum presently available is "ridiculous," and is lumped together with the ambassador's salary.

On the subject of his diplomatic actions in this neighbor to the north, he assured us that since he identifies totally with the foreign policy being pursued by Arias, he clearly understands the role which our country should play as a friend and ally of the United States.

He argued that those in political circles in the United States must be made to understand what active neutrality is. "It means standing aside from the conflicts in Central America, not merely as indifferent spectators, but as political activists. I do not know if any semantic difference exists, but in my view being neutral is not the same as being neuter."

When Fernandez called a press conference to discuss his appointment, he said that Costa Rica should be "an intelligent ally and not a dumb friend" of the United States. On being asked if he believed that it had been "a dumb friend" on any occasion, he said that it had not, but there is in this country a "mistaken perception of our role, particularly in progressive circles." He believes that there are those who believe that economic and financial pressures "have distorted our political will, and it is believed in conservative circles that such distortion is possible. It is not for me to say whether this perception is in any way true, but rather to carry out the instructions of the president and the foreign minister, so that we will never become 'dumb friends'."

He added that the image of Costa Rica must be improved, because in comparison with "what our enemies are doing to tarnish our name, what we are doing is very little. They receive political and material aid from the socialist countries. We have no one here to aid us, but we must counteract the efforts of these countries, using our own methods. At the time of the Sandinist revolution in 1979, complicity and direct participation on the part of our country and government existed, and later, we were also affected by the presence of the Contras, and all of this caused us to lose credibility.

"How do we show the world that we are truly neutral? By promptly seizing weapons and Contras, shutting down landing fields, preventing individuals such as Adolfo Calero from coming into the country, imposing limits on the activities of Eden Pastora and limiting the activities of the exiles to the use of political space, exclusively.

"If we pursue this policy, we will succeed in showing the international community that we are truly neutral, and thus we will acquire the moral authority needed to exert diplomatic pressure in an effort to ensure the democratization of Nicaragua."

Minister Fernandez

Our discussion with Fernandez was interrupted when we reached Parrita, where community leaders and a group of elderly people carrying placards urging the reinstatement of Hermogenes Cordero as the GAR representative awaited him.

Before he entered the municipal headquarters, Fernandez was presented with a case of nance fruit, which he immediately placed carefully in his automobile. In the municipal council headquarters, he listened to needs and requests, explained the current situation in his department, and, at the conclusion of his visit, promoted Laura Mora from the rank of private to corporal in the GAR, which only has two women in its ranks.

Our discussion resumed en route to Garabito. We asked Fernandez if after what we had seen during these visits, he did not believe that accepting an ambassadorial post would reduce his political influence.

"I am very aware of this. The Washington embassy post will take me out of the front line and will put me at a distance from the country, and thus reducing the possibility of being my accepted in the future as one of the members of National Liberation and having a further political career. Naturally, these 3 years in Washington will constitute an obstacle."

We asked if he felt then that he is not accepted in the PLN.

"I believe that the base levels have accepted me and I think that I have done useful work in the rural sector. I have won praise. But some members of the liberation political circles still regard me fearfully, as a newcomer or an opportunist. And the fact that one has worked for more than a year, written a book and served in the cabinet is not enough for them.

"But Oscar has pursued the process of democratizing the PLN. Luis Alberto Monge launched this process, but it has now been pushed so as to produce much broader consequences. The cabinet is being reviewed and an analysis is being made of how many professional politicians or experienced leaders there are.

"What I know how to do is to talk, to write and to persuade. I believe that I deal with people well, and that is why I am so happy in the Ministry of Government post, because of the contact with the people. I like to be close to the masses, to the problems, the names, the challenges, the countryside. This is experience, and that is also why I decided to go."

In commenting on his work as a minister, he explained that it had two dimensions. First there was the study of the ministry, "an attempt to understand it," since there are many departments which are "very heterogeneous." And secondly, there was the selection of suitable officials for the leadership posts.

He added a third aspect, involving travel about the country, which "I undertook in frenetic fashion, visiting Cartago, Limon, the northern zone, Puntarenas, Guanacaste, and leaving the districts in the Central Valley until the last."

He explained that he has now established the foundations for the development of a more deliberate policy on basic freedoms, individual guarantees, balanced with considerations of safety and order.

He has also begun, and leaves in progress, projects for modernizing the organization of the National Printing Enterprise, which will be able to put out the official daily publication, LA GACETA, in 4 hours instead of the 16 presently required; an efficient post and telegraph system; a proposal for another press, radio and television law; and also a new role for the provincial governments, and the task entrusted to him by the Government Council, the drafting of better migration policies.

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ODUBER CRITICIZES PREVIOUS GOVERNMENT ADMINISTRATIONS

San Jose RUMBO CENTROAMERICANO in Spanish 1-7 Aug 86 pp 6-7

[Article by Ana Lupita Mora]

[Text] "I will hold Monge responsible and I hold Arias responsible for failing to direct the resources of the state toward the productive sector," Daniel Oduber said in an interview granted to RUMBO CENTROAMERICANO. The former president stated emphatically that there can be no stability without growth, for which reason, he insisted, the past government of Don Luis Alberto Monge "failed."

After warning that the present administration of Oscar Arias will be following the same path unless a change is seen in national priorities, he emphasized that "Costa Rica has become a country of moneylenders," and we have lived off "alms" from the United States, which he regards as "shameful." According to Oduber, the governments in recent years have made themselves laid themselves open to blame, for justifying the crisis, for not realizing that the most serious thing happening to the country is the failure to orient resources toward production.

He noted that the crop-raising, livestock, agroindustrial and forestry activities, which were always "the spoiled children of the governments," have fallen into total neglect, and he blamed this on the last three government leaders, for in his view, it is solely through these sectors that Costa Rica can achieve true development.

Although he admitted that in macroeconomic terms, the figures showed at the end of the Monge term that "we had climbed out of the hole in which we found ourselves in 1982," he added that from a country of producers, we have become a country of usurers who urge the public to surrender their money so that it will earn interest, only to turn it over, plus a few points, to those who can only speculate with it because they cannot work.

In the view of this former chief of state, the slum problem in the cities is the result ofthe lack of a policy of incentives for production. "On the day further encouragement is given to the rural sector, the people will stay there and work, rather than coming here and filling the cities with poverty."

"The way to combat slums is not to provide houses with televisions but to provide land and work, and this is what neither the Monge administration nor this one has seen clearly."

Oduber stressed that politicians often attribute these situations to the economic measures which the International Monetary Fund, the World Bank or the Agency for International Development requires them to carry out. However, "I believe that this is not true, that it is we who are to blame." And he added: "In the church, since the time of St Thomas, usury has been a sin, and it has been punishable since the 1950s under the Costa Rican Penal Code. But then the great modernists in this country came along to say that the money had to be given to a small group which would deal with finances, rather than to those who need it for production."

However, this liberationist leader expressed the view that the measure announced by the Central Bank, to the effect that the commercial banks will be responsible for establishing interest, will work toward making us a country of producers again.

If this does not come about, he said, Oscar Arias will not be able to fulfill his campaign promises. "Either there will be production in Costa Rica or we will continue living on alms, which gives me a sense of shame. The North Americans come here with their dollar checks telling us that if we behave properly, they will give them to us. Costa Rica has now become accustomed to accepting charity. This is shocking. It destroys our national dignity and works against any real possibility of organic and forceful growth in the production sector."

He said that a part of this whole situation is due to the fact that those who promoted the famous "let us return to the land" plan of the Monge administration did not realize what the Costa Rican reality was, and when they came to power they could not fulfill their promises, "but they should have done so."

Persecution

On another subject, the former chief of state discussed various aspects of the Arias government, mainly those pertaining to the internal administration of the executive branch.

Recently he publicly denounced certain abuses by the new officials in various government sectors, which have done harm to the workers in the middle- and lower-level posts in the various departments.

According to Oduber, there is a whole range of lesser employees who, on taking up their posts, "replaced valuable individuals in the middle and lower cadres, to an exaggerated extent."

He admitted that on the higher levels of the ministries and the autonomous bodies, there needed to be changes, since the president of the republic must put his own people and his own policy in service.

However, he reiterated that it seems to him wrong to remove employees on the lower levels. "To dismiss liberation supporters and put in people who are not better, but are closer friends of certain officials, is wrong. I have not seen any ministers or executive presidents dismissing people, but rather their assistants and advisors doing this kind of thing. I have spoken with government leaders and asked them to be very careful in replacing their employees, because it takes many years to train an efficient worker, and it is not worthwhile to make drastic changes to do some friend a 'favor.' Thus many of the complaints are just, and I support those who feel persecuted."

On being asked if to some extent this is a response to the so-called "meritocracy" which Arias said during his campaign that he would implement, he answered: "I believe that 'meritocracy' is a very nice term but that it is not being implemented. There are political promises and appointments having nothing to do with who shows greatest merit, involving instead those who have the best access to the president, or the right ideas, in his opinion.

"When Oscar talked a great deal about the meritocracy in the preelection period, I joked with him, because I know from the experience of many governments that, first of all, very rarely do the best people want public office, and secondly, party commitments often make it necessary to appoint not those who are the best but those who have worked most closely with the candidate."

The Opposition

Commenting on the path the present administration has followed, particularly in the legislative assembly, where a harsh crisis recently developed between the two majority parties concerning the approval of the tuna-fishing agreement, Oduber said: "The electoral campaign which ended a short time ago was one of the most virulent I have ever seen, in terms of personal attacks. I was accused of trafficking in drugs, Rafael Angel Calderon was accused of concealing his father-in-law, and Oscar was accused of everything. "Shameful low blows were dealt, and I believe that this campaign was not on the high level Costa Rica now deserves.

"This did harm to many people, and unfortunately, I have the impression that there never was proper communication between the two strongest candidates, Arias and Calderon, which makes the establishment of such communication now difficult."

Another argument which Oduber mentioned, one of which he said he is certain, is that there were many people in the Social Christian Unity sector who regarded Calderon as a poor candidate because of the name he bore and a whole series of shortcomings they attributed to him. "I personally believe that he was the best they had, but once the election was over, as happens when one loses, they turned against him. A number of internal Unity groups are persecuting him consistently, throwing the blame for the defeat on him because he was very weak in his relations with Monge."

According to Oduber, the Social Christians are blaming Calderon for "turning over a congress which was docile" in the earlier period "so that Monge would be the one to profit. This is not true, because Unity opposed and delayed the urgent legislation on loans, the Central Bank and other laws. Therefore this charge is unfair."

He commented that he experienced this in 1966, when he lost the election. "The fleas always cling to the weakest dog, and the defeated candidate must be killed. The La Nacion group, formerly known as the 'capital,' the group of Rodrigo Carazo, the group of Jose Joaquin Trejos, the Christian Democrats and some of those who sought precandidate status attacked Calderon violently, so that he had to become tough, and he has. In no way can he implement his patriotic thesis, which is correct, calling for the negotiation of everything submitted to the legislative assembly in the way this should be done in any parliament.

"When one becomes hardened, and added to this the number of those who aspire to the presidency of this faction of the party, the situation is not easy. It is my impression that Calderon controls a strong bloc of deputies, but not all of them, and this is hindering the legislative work."

Concerning the developments which have come about within the liberation faction, such as the resignation and withdrawal of the deputy and leader Jose Miguel Corrales because of the tuna crisis, he said that the conflict was not handled well. "Greater care should have been used in dealing with it." Although he gave assurance that he does not know the details of the internal problem, he expressed the view that a difficult emotional situation must have developed, to force Corrales to go to that extreme.

He recalled that on many occasions, liberation deputies have differed with a majority decision, after consulting their comrades for permission and a consensus, but he said that in the case of Corrales he does not know if permission to differ was requested.

On the other hand, according to this former government leader, to this was added the general crisis in the assembly, because Unity is in a position which in his view it is hard to understand. "My only remaining concern is the lack of absolute agreement among the 29 liberation deputies. There must be agreement, and matters must be discussed fully and promptly, not in the newspapers but within the faction."

The Precandidates

Turning to more domestic National Liberation matters, specifically the presidential aspirations of some its leaders, Oduber said: "Costa Rica is interested in petty politics, soccer and parties. These are the three main lines of Costa Rican development. One president is no sooner elected than the candidates for the next election appear. This has always happened, and I cannot regard it as bad."

He said that the constant meetings being held by Carlos Manuel Castillo, Alberto Fait, Mario Carvajal and Rolando Araya are normal. He explained that "Not everyone is there yet and not all those who are will remain, but there is still a great deal of time.

"What is absolutely unacceptable is the formation of factions. Between these meetings, this flirtation and these affectionate gestures and the creation of a faction, there is considerable difference. The party has stated categorically that it will not accept factions until the convention is held, much less contributions of money."

He said that since this is the case, when the time comes to wage the 1989 electoral campaign, there will not be a cent available for the party fight, as often happens.

In conclusion, he emphasized that the immediate tasks, for at least 2 years, are the reorganization of the party, revision of its bylaws and support of certain programs in which National Liberation is interested and which the Arias government must carry forward.

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ARIAS ADMINISTRATION'S FIRST 100 DAYS ANALYZED

San Jose RUMBO CENTROAMERICANO in Spanish 8-14 Aug 86 pp 11-15

[Text] This week the Arias Sanchez administration completes its first 100 days of government. "Critical Review" wanted to serve as a forum enabling the regime's politicians and those of the opposition to make an examination of its successes and failures. Armando Vargas, the National Liberation Party's [PLN] political communications secretary, investigates the problems of the Costa Rican president in achieving a consensus among his voters that will enable him to propose a consistent government program. Although Vargas thinks that the obstacles to achieving this include the opposition's "stubbornness," the "belligerence" of the newspaper LA NACION, and the young ministers' lack of experience, one of the most serious is Arias' unwillingness to incorporate the National Liberation Party's great leaders.

Miguel Angel Rodriguez, one of the leaders of the Social Christian Unity Party [PUSC], criticizes the government for lacking guidelines to solve the nation's critical problems. Rodriguez claims that this is due to the fact that the party in power has not prepared a government program.

Fernando Volio, a Liberation Party deputy, believes that Arias' serious problem is the opposition's congressional radicalism. He considers this the real obstacle to the development of major plans for the country.

Finally, Luis Manuel Chacon, chief of the largest opposition faction in the Legislative Assembly, analyzes how the president has failed to keep many of his campaign promises, especially those made to the middle-level and low-income sectors. According to Chacon, the only success of the Arias administration is the housing program, which is an imitation of the one proposed by Unity during the campaign recently ended.

Armando Vargas Araya

President Oscar Arias Sanchez won in the elections of 2 February 1986, and gained the right to command. With 100 days of the constitutional term elapsed, he has begun the process of convincing, to raise himself from legality to legitimacy. Nevertheless, the creation of a national consensus, essential for the democratic government's operation, is still perceived as an elusive goal. In our political system, with its long-standing, powerful system of public opinion and the nascent reality of a modern two-party system, it is imperative to convert obedience into support.

The civil society's fidelity to the state is beyond question, just as is the loyalty of the political parties and pressure groups to the institutions that govern the struggle for power. The dilemma lies, rather, in the political personality of the head of the government, who still appears to be in transition from formal power to charismatic power. A French proverb says: "The nature of democracy is to become personified in a man." It so happens in the contemporary state that, when it is undergoing a crisis, the rising status and the prestige of the man placed at the top of the state echelons acquire major significance for legitimizing power. And in our indivudualist culture, the citizens always have in mind the ruler's personal qualities and political features.

There are no miracles in politics. The consensus to back legitimacy is a result of an intellectual effort made with shrewdness, perseverance, and courage. Most of all, in politics one must add, add, and add; never subtract; and very seldom divide. Such a task demands more wisdom than knowledge. The president of the republic has within his reach sufficient political resources to assemble the puzzle that might originally have been a cause of irritation and headaches.

The path toward consensus and legitimacy is paved with obstacles of diverse appearance and a similar nature. By way of indicators we might mention three: an opposition that has not yet found its political guiding principle; an ultraconservative press faction bent on imposing its narrow concept of the national interest; and a group of young ministers with little party experience. To be sure, in an exhaustive analysis, one would have to add to this brief sketch other significant aspects and nuances.

The National Liberation Party, founded 35 years ago, is the hegemonic force of Costa Rican democracy. Until the previous 4-year period, PLN was not faced with a real opposition party. Now, the Social Christian Unity Party has received credentials of legality to develop and become the second factor in the bipartisan equation. But, in fact, PUSC is still an archipelago of opposing ideologies, political legacies, dissimilar personalities, discordant forces, and inharmonious designs. Defeated on two consecutive occasions (once as a coalition and another time as a party), PUSC is suffering from an acute identity crisis (see the political feature article in the magazine GENTE, No 2, 15 Jun 86, pp 8-11). And for the sake of justifying its existence, PUSC has engaged in a stiff opposition to the government as an at least temporary expedient for self-affirmation. We know that inflexibility and intolerance, marks of immaturity, can end up jeopardizing the fundamental rules for the system's operation and convert a political conflict into a crisis in the system. If this immoderate stubbornness persists, some might perhaps think that this could endanger the two-party system so much desired by PUSC, which came into being in the heat of a juridical context possibly too advanced for our present political development.

Under these conditions, dialogue with the opposition and democratic arrival at agreement become uncomfortable and even hard; and therefore what is needed is a thorough understanding of the nature of the individuals with whom one must deal and an immense political skill honed during many years of negotiation.

Another sign of the times that are afoot is LA NACION's belligerence against the Arias Sanchez administration. When the votes had not yet been counted, the newspaper directed a series of editorials at it, under the general title "The New Government's Agenda." The president-elect's statements on economic and military aid from the Reagan administration to the Nicaraguan rebels and the British-American air bombing of Libya (consistent with Costa Rican tradition and the Liberation policy of unlimited adherence to international law, as befits a demilitarized, neutral country) were grossly manipulated and maliciously used to fan the coals of dissatisfaction that have arisen in certain Washington circles with the new president's dignity and independence. The supreme courage of the moderation and the rejection of all dependence, accepting no advice other than that based on good sense, were distorted for unexplained purposes; when the fact is that the cause of Costa Rica is not separate from the cause of the United States, although it is not confused with the latter. It must be stressed that Costa Rica has no military allies because, based on constitutional ruling, we are a nation without armed forces. As the Foreign Ministry has just repeated, "Our people's reiterated commitment to peace denotes the positive element of not interfering in matters dissociated from their existence, and constitutes the essential meaning of the formula for perpetual neutrality proclaimed in 1983 by the government of the republic, which retains complete force." The president certainly cannot defend interests other than those of the republic, and has done well by affirming the national sovereignty on all sides. This prompts one to recall the Latin American experience that, when a Social Democratic government wins the government, the defeated involutionist movements continue to lead, every day, the phenomenon of manipulating the consensus in certain commercial communications enterprises, while the democratic government remains unprotected.

It is likely that, outside of the government, even in the political parties and the communications companies, the construction of the national consensus appears to be a relatively important matter. But when one is running the government, the control of power and political leadership constitute a complex, serious task. In our state, there persists a dreadful weakness for scientific and technical management of principles, values, and symbols, lacking any type of resources not only for confronting the adversary, which would be suicidal, but even for seeking the alternative route that would make it possible to channel public opinion toward the major goals democratically discussed in the elections. The government's extreme need in this real, vital area, although it cannot be touched with hands, should be made up with talent, imagination and daring. Nevertheless, the government would appear to be lacking in a policy, a strategy, and a mechanism for forming the social consciousness, and constantly guiding it, with a view toward the attainment of loftier forms of political coexistence. In the particularly sensitive areas of government action (dealing with the economic crisis without destroying social peace, isolating our territory from the Central American war, and maintaining fraternal relations based on mutual respect with Washington, as well as proper, peaceful ones with Managua), it is essential to ensure a suitable degree of consensus.

In other 4-year periods, this insufficiency of the state has been compensated, although inadequately,by the presence of great political figures in the government team. But since, this time, one can scarecely find anyone whose own political representative status can be added to that of the president, the latter is left exposed directly to the blows from the opposition and the criticism and censure of the press. It should be added that the peculiar composition of the government's higher commands with real independents or individuals recently arrived from other partisan camps, has disoriented the Liberation Party, without obtaining the sympathy or backing of PUSC. This phenomenon, atypical of governments emerging from permanent,ideological parties, is shown in the absence of influential figures who would support the head of the group in the political area and on the slippery terrain of audiovisual journalism.

And where are the political expedients at the president's disposal? Well, in the democratic movement which gave an impetus to the government. During the patriarchal era of exacerbated personalism, to use a phrase from that time, "the scaffolding was thrown away once the building was constructed." Whereas, previously, the leaders produced their party, now it is the party which produces its leaders. There is in the National Liberation Party, accumulated praiseworthily by several generations, a political treasure of experience, talent, imagination, and courage. Understandably, it suits PLN for the government to carry out its task in a wonderful manner. Of course, the consensus must begin from the inside out.

The creation of national consensus is unavoidable for basing the right to command on political legitimacy. In all countries which have reached a moderate level of culture, the ruler justifies his power by basing it on a belief or a sentiment generally accepted at that time and among those people. Without this unfailing consensus, the workers might more readily go on strike, the opposition could become more bound to its inflexibility, and the ultraconservative groups that have taken refuge in a certain press might be allured by their intolerance. And so, the art of governing would become a bitter, unpleasant experience.

At the age of 82, having held the presidency of the republic three times, Don Ricardo Jimenez said: "The difficult thing for the ruler is to know how to select the course of action at a time for decision; it is natural to be mistaken, and not to succeed on all occasions. Therefore, while rulers must have a large amount of humility and patience for carrying out their tasks and serving their people, the people must also judge the ruler with a certain amount of magnanimous spirit."

Miguel Angel Rodriguez

Every beginning is difficult, and it is perhaps imprudent to judge the first 90 days of an administration. But it is usually at its beginnings that one can more easily assess the style of a government. It is at their beginnings that the president and his team can clearly show the qualities which distinguish and typify them; and it is during the first months that an administration has the most strength for acting and the greatest opportunities for making changes and initiating transformations. Later, the self-interested groups can more easily organize and reach agreement to defend their positions, and the measures that might affect them are more difficult to adopt.

During its first 90 days, President Arias' government has become bogged down. In the third month of government, Drs Lizano and Naranjo, executive president of the Central Bank and finance minister, respectively, have offered individual diagnoses of the serious problems facing the country in the economic area; but they only contain general guidelines for action in that area; they have not yet formed a program, much less submitting proposals for concrete measures.

Highway construction has been stopped (even in the case of a project already "inaugurated," namely, the San Jose-Guapiles route); there are no funds for finishing the roads planned to Cartago, Guapiles, and Los Chiles, nor the Southern Coastal Highway; and during the past 5 years the financial agencies have not had road programs submitted and approved that would lend continuity to highway construction.

The minister of education is opposed to the general education bill under negotiation, but he has not said why, nor has he submitted an alternative.

Crime, in its most alarming dimensions, is still rampant, and insecurity permeates lives and property in the northern section of the country, even though the number of public force personnel has been increased by over 15 percent during the past 4 years.

The minister of agriculture and livestock has stated that there is no policy for those sectors.

The housing plan does not consist, specifically, of anything more than the establishment of a ministry (form a ministry, and the houses will be built!); and the bill for the housing financing system, which the Assembly is dealing with, has originated in studies of the Social Christian Unity Party, and comes from a bipartisan commission of the previous Congress.

After 90 days of government, the Costa Rican ambassadors abroad have not been appointed, nor has a clearcut policy on the Central American problem been determined. President Arias and his foreign relations minister have met with their colleagues from the Isthmus and, on this special occasion, no mechanism was proposed to reactivate and normalize trade and payments among the Central American countries. There was a discussion about a parliament without authority, but no Court of Justice was proposed for the Central American Common Market that would protect individuals, business firms, and governments from arbitrary acts by other governments which would restrict trade or payments within the region.

In all areas, the initial 90 days demonstrate the bogging down of the Arias administration; a bogging down caused because the necessary preliminary work to prepare for governing was not done. During the campaign, the National Liberation Party did not prepare a government program that would stipulate goals, select measures, and serve as a coordinator of efforts. During the period between February and May, Don Oscar Arias chose his collaborators, but did not form a team nor was the program, the lack of which has impeded integration, prepared.

With capable figures, but without a program nor a team formed, the government's work depends exclusively on the group's political plan and the leadership style of its head. But, after the crisis that has originated in its own proposals, the National Liberation Party appears to be an electoral machine in search of a political plan: So, will it return to the catacombs of the 19th socialist dogma adopted during the 1950's and 1960's?

Dr Arias Sanchez, for his part, has been unable to establish a system of political coordination that would enable him to arrange for action with different groups. His political relations with the opposition, with the head of the National Liberation congressional faction, with the Castillists, with the various pressure centers, and with international agencies, have not yet shown his ability to make bridges and convince, instead of trying to conquer.

The lack of a program,of a formed team, of a defined political plan, and of a suitable leadership, wherein the leadership could conquer these obstacles, has shown us an administration that is stagnant, and lacking in the practical spirit required for a government's good beginning.

While this is happening, the poorer fellow countrymen and the middle class continue paying the price. It is the poorest Costa Ricans who are suffering to the greatest extent from the increases of prices of staple goods; because those goods represent a very large share of their income. Those increases originated from the growing public spending and the accelerated creation of money used primarily to finance the public sector. It is the poorest Costa Ricans who are suffering to the greatest extent from the concealed taxes in the cost of the social expenses; taxes which have generated the surplus in the Costa Rican Social Security Fund, which have not been translated into better health services for their families nor into a reduction in their contributions, but which, rather, are used to cover the deficits of other decentralized entities. It is the middle class Costa Ricans who find it impossible to replace their cars or to purchase them for the first time, because of the exorbitant tax charge and surtaxes associated with them. It is the middle classes that are paying the taxes concealed in the prices of fuel, which have not declined here, while its cost in the rest of the world has been cut by over a half.

Faced with all these problems, Dr Arias' administration has been unable to decide whether to cite the government of Don Luis Alberto Monge and the Arias electoral campaign itself as false, and agree that the crisis has not been surmounted, that there is no stability nor growth, and that the future awaiting us Costa Ricans is still very distressing; because all the nice things: donations from the United States, foreign loans, high coffee prices, low fuel prices and low international interest rates were taken by the Liberation Party administrations for themselves, and allowed to vanish. To accept this means to retract their statements of the past and to condemn Mr Monge's government. Not to accept it means holding them responsible for the mistakes of the previous government and giving an image of unfitness to govern. The government, incapable of choosing between these alternatives, because of the high political price of either of the two decisions, is sunk in its stagnation.

With a phrase made fashionable by Don Eduardo Lizano, we might say that the trick has turned back on Don Oscar. The large public spending, bags of cement, zinc plates, trucks with gravel, specific funds, etc., with which the last electoral process was influenced, have become price increases for which the government is now being criticized. The lack of programs and the failure to spend time during the campaign to plan the government have caused the present difficulty in taking action. The false assertion that the crisis was surmounted and the glorification of Mr Monge's administration have resulted in giving Dr Arias' government its present problems. The trick has turned back on Dr Arias, and the current administration is bogged down.

Fernando Volio

The illustrious Archbishop Rodriguez once exclaimed at the beginning of his administration as bishop: "The Church is not a democracy!" After John 23rd's strong wind, I don't know whether that dictum would be retained today. What matters to me is to point out that, in the Legislative Assembly, the political party called (with disrespect for the Political Constitution) Social Christian believes steadfastly and dogmatically in a new commandment: the Legislative Assembly is not a democracy either. With sectarian, fundamentalist, saving zeal, they have taken on the purifying task of reversing the cardinal rule of republican procedure: the decision of the majority; replacing this ancient, decadent rule with another which they, enlightened by the new indisputable truth, the retriever of congressional prestige, preach untiringly: the rule of the minority to which we heretics and Social Democrats have obstinately not adhered. Deputy Villalobos Villalobos, deputy chief of the Social Christian Unity Party, has taken it upon himself to preach this peculiar and, of course, opportunistic theory since the beginning of the Assembly's regular sessions. For example, on 5 June he declared: "It has often been said here, and I have done so primarily, that the numbers game between those who are 29 and those of us who are 25, in this plenary of the Legislative Assembly, owing to our democratic system, does not have the significance that some would like to give it" (Minutes No 21). He reiterated this when he warned the Liberationists to stop thinking "that, based on the decision of 29, you can make the plenary of this Legislative Assembly act" (24 June, Minutes No 30). And if the foregoing were not convincing, the same PUSC representative remarked: "I believe that it is now time for the National Liberation Party faction to realize that, in this Legislative Assembly, the 29 that there are now, that the National Liberation Party has now, are not sufficient to govern" (8 July, Minutes No 38).

Of course, the purification of the democratic system by way of overvaluing the minority (as Hitler, Mussolini, Lenin, and Daniel Ortega would like), at the expense of the power of the majority (advocated by Locke, Paine, Jefferson, and Juan Mora Fernandez), minimizing it, discrediting it, and even silencing it, had already been done by Deputy Villalobos Villalobos, as an irrefutable, irresistible innovation (he claimed!) of the "brand new" constitutional law, when he proclaimed the following with absolutist self-assurance: "I once dared to say, and I do daresay that, at this plenary of the Legislative Assembly, the most important bills, and even those of less importance, will be voted only when Social Christian Unity wants them to be voted on; and that is a reality, it is true" (27 May, Minutes No 16).

It should be added to this description of the political evangelical renewer that he has intended to alter the parliamentary rules, with another commandment to purge the traditional, decadent procedures: the one repudiating any negotiations with the Social Democrats. "Dialogue, yes; negotiations, no!," declare the conceited Calderonists. "We stated here and it is recorded in the minutes, that our position would always be one of conversation, and would always be one of dialogue; but we would never use dialogue or conversation to negotiate an issue with the National Liberation Party faction. We are not, nor shall we ever be engaged in negotiations of any type" (13 May, Minutes No 18), remarked Deputy Villalobos Villalobos. He added that the Calderonists' position (with cross held high, acolytes, and incense) is one of renouncing now the abominable democratic ceremony which, up until the present, had appeared reasonable and civilized, and which consists of attempting to reconcile opinions, to reach agreements, to harmonize positions and to agree on solutions, of course after conversing or holding dialogue. But if one is willing to hold dialogue, becoming opposed after negotiating, then how can the Assembly be made to progress? What sense does it make to say that they might converse with us if, in the end, they utter, without hedging, as a dogmatic, radical, sectarian, proposition (through Deputy Villalobos Villalobos, as deputy chief of the Illuminati) the bombastic, irreversible statement: "We don't believe in negotiations; we have absolutely nothing to negotiate with the National Liberation Party" (13 May, aforementioned minutes).

As if the foregoing were not enough to create the legislative atmosphere that President Arias' government has faced, that same Calderonist whom the new baptismal waters have assigned to overly dissent from his colleagues in the last legislature, had no qualms about stating that, "In our faction that term 'negotiation' doesn't exist" (5 June, Minutes No 21); but he went even further in expressing the fanaticism and sectarian inflexibility of the "new" Unity. He even went so far as to blame the deputies from that same political party who had acted from 1982 to 1986: "In the last Congress, there was complacency in the Social Christian Unity Party allowing the National Liberation Party to pass the bills that the government wished. The situation is different now" (the same minutes).

This being the case, to fulfill his mandate, President Arias has faced the congressional situation with patience, flexibility, determination, and a wise understanding of the tasks involving continuity and change incumbent on the new Liberation cadres who received the mandate to exercise political power. Let us observe:

1. "PROGAS-FODEA" project; begun under the Monge administration. It involved ratification of the loan contract between Costa Rica and the IDB, amounting to $35.8 million for a livestock development and animal health program. Dr Arias told us that it was important and urgently needed. We submitted a motion to negotiate it on a priority basis, and it received only our 29 votes. PUSC alleged, as an excuse for its obstruction, that it contained regulations dissociated from the project, but they paid no need to a proposal of ours to eliminate all of them (including those that PUSC had introduced) and to pass the original plan. Thus, the country was left without that financial and technical resource.

2. Interim agreement for tuna fishing. Despite the fact that PLN and PUSC had agreed to approve it in the previous legislature, and left it in a third debate, from the outset, the Christian Democratic Illuminati, in collusion with the Communist representatives, from whom they lifted the burden of the anti-Yankee struggle, engaged in stubbornly combating the provisional agreement, without offering the country anything in exchange except the empty hands of despair, for Puntarenas and the nation as a whole. At first, the government acted rather indifferently (the Ministry of Agriculture never concerned itself with the matter). It was claimed that the agreement was not included among the issues of the electoral campaign. Later, the executive branch considered withdrawing it from the Assembly, while other matters with which it was directly concerned were discussed and spirits were calmed. Later, it battled along with us, firmly and skillfully, on behalf of the virtues of the project, and because the latter had exceeded the bounds of a technical discussion, becoming a political confrontation that will, for the next 4 years, test the courage of the Arias administration, as well as its willingness to negotiate democratically and respectably, as is fitting, any other matter of national concern.

President Arias told us that the political struggle had even penetrated the electorate which brought him to power, and that he would not accept an early defeat. He accompanied us in every attempt at negotiation to prevent the obstruction of the Assembly; and, on 11 June, he even sent a letter to all the deputies, which he made public, and which was also signed by Foreign Minister Madrigal Nieto, not only to support the tuna fishing agreement, but also to "set up," during the next 90 days, a national, multiparty commission responsible for proposing a permanent agreement (called for in the interim one) as a sign of good will and a desire to take PUSC's opinion into account, primarily. But, what Unity and its Communist and Socialist allies wanted was to test their own strength, rather than make their reasoning prevail; and hence they went off the track until they lost their first confrontation with the government.

3. The International Convention on Repression and Punishment of Apartheid as an International Crime. It was not signed by this government either, but

was supported wholeheartedly by it. We have even learned that it gave the go-ahead to the restless, idealist Deputy Cruickshank Smith, to continue with his initiative of requesting the break-off of diplomatic relations with South Africa, which the Assembly approved and the chief executive decided to approve later, in accordance with his exclusive powers.

4. Law for Creation of the National Housing Financial System. This bill of President Arias' government did not meet with opposition, and the executive branch showed flexibility for its passage in the Economic Affairs Commission.

5. The Commission on Financial Affairs approved the plans for foreign loans to finance the impressive Miravalles geothermal project, conceived and executed by ICE [Costa Rican Electricity Institute].

6. The Law on Restructuring of the Executive Branch; now called the "Law on Restructuring of the Executive Branch Ministries." It has caused a great deal of warring on the Financial Affairs Commission, which I head. In the press and the Assembly plenary session, PUSC has claimed to be opposed to that initiative of the Arias administration. In my commission, the signals are confused and contradictory. Until the end of July, the mood had been one of reservations bordering on rejection, among the Christian Democratic deputies. On the government side, there was flexibility, and a desire for compromise and consensus. We deputies on the commission intended to give an impetus to the bill, with a willingness to be constructive and harmonizing. Perhaps PUSC may ultimately approve it in time to look at it in special sessions or, in any event, it may calmly, for the good of the country, agree to give the matter priority in the regular sessions during September.

In 1962, the great former President Orlich remarked: "The forces of totalitarianism are roaming free in America. They are riding without restraint on the historic disappointments of peoples, goaded by the agents of despotism." With all the more reason, at the present time, with the country viewing the Communist vanguard of Nicaragua's aggressive, pharisaical regime, it is to be hoped that, with the commotion of the elections over, and with the subsequent perplexity, they will secularize PUSC, and its radicalism will be replaced; in this way, the term "negotiation" will again be in the democratic arsenal of the major opposition party. President Arias' government has not hesitated to give PUSC the opportunity to carry out its opposition endeavor constructively, and has even encouraged it. As deputies, our action will be consistent with the government's position, responsibility toward our electorate and, in particular, responsibility toward the country. That is our hope and our determination.

Luis Ml. Chacon Jimenez

During the spring of 1933, 100 days into his first administration, Franklin D. Roosevelt achieved the goal of lending confidence to the United States banking system and, at the same time, dealing with the extremely serious problem of the unemployment existing at the time, by means of various types of legislation which was sometimes even controversial, while that country to the north was being debilitated by one of the worst depressions recorded in its history. Since then, the governments have adopted the habit of evaluating themselves, or being evaluated, upon the completion of the first 100 days of their administration.

In the 1982 political campaign and at the beginning of the pertinent government term of the National Liberation Party, the latter made of the 100 days a complete allegorical fiction, promising salvation from the crisis, which aroused great expectations among the people, but which in the end proved to be more words than deeds.

Possibly in view of the experience that had occurred with the first 100 days of the previous administration, and based on the assumption that "the crisis has been brought under control," according to former President Monge's remarks, President Arias' administration did not make any announcement either during his campaign or after it concerning the necessity and importance of adopting prompt, essential measures during the first 100 days of his government.

The work of a government is usually assessed by contrasting its achievements with the expectations that it established in its program or evoked among the electorate. In the case of the present government, in the absence of a publicly known government program, I shall attempt to analyze the basic situations cited by Don Oscar in his inauguration address; because we are apparently still without information on what, when and how he intends to do what we assume the president has in mind.

Dr Arias spoke about a government without discrimination and with privileges favoring the downtrodden. Contrary to this proposition, the wage-earning sector perceives the Arias administration as follows, according to press disclosures:

"The general dissatisfaction is becoming apparent among the organized workers as a somewhat delayed reaction to the increase in prices of various basic consumer items. The unrest has its origin not only among community associations and independent unions, but also among confederated organizations, and in the trade union confederations themselves, which have thousands of members.

"...they are only now paying the wage hike for January, and a series of price increases has already been ordered which have absorbed the entire increment. "

The foregoing pertains to the government with "privileges favoring the downtrodden." What they have not explained to us is that they will be the "ones privileged" to suffer the consequences of a Monge administration whose vainglories have proven to be precisely that: vain glories; and of an Arias administration whose "Arista characteristics" are still dim except for measures such as the hikes in the price of beans (from 37.75 to 49.65 colones), of rice (from 27.25 to 30.40 colones), of corn (from 12.75 to 15.10 colones), of rolls (from 0.75 to 1 colon), of lard (from 40.50 to 50 colones), of sugar (from 23.50 to 26.80 colones), of coffee (from 60 to 67 colones), of eggs (from 74.50 to 86 colones), and of tortillas (from 39 to 42.20 colones).

Nevertheless, it is only fair to acknowledge that now caviar and salmon may be procured at a better price, and it should not surprise us if, some one of these days, an increase in the cost of milk is prescribed for our population, but the cost of champagne is reduced. In other words, Don Oscar Arias' Liberation government has carried out a policy detrimental to the downtrodden or, as a SITRAE [Trade Union of State Workers] leader put it, "aimed at hitting workers' pocketbooks."

Moreover, on 10 May, with the high-sounding name "Restructuring of the Executive Branch," the respective bill was sent to the Legislative Assembly. This, rather than the result of serious study, analysis, and proposal on the part of the executive branch, was nothing but a mere occurrence whereby three ministries were created, only the names of which were given. This was published in LA GACETA; nevertheless, what has been made known to the Commission on Finance was something completely different, because the executive branch itself had to admit the enormous flaws in the first one. But the monkey, even if dressed in silk, is still a monkey; and the new bill sent to the Finance Commission is more flawed, by the mere fact of being more lengthy. The Liberation deputies are agreeable toward changing it; because there is no such "restructuring," but what it calls for is the creation of three ministerial portfolios and a very slight reorganization of the two already in existence. This bill runs counter to principles of the General Law on Public Administration, principles of administrative efficiency; and it even runs counter to constitutional principles, which by now appears to be a practice of the PLN leaders. In connection with this bill, at a meeting attended by such distinguished legal experts as Piza Escalante and Piza Rocafort, as well as by representatives of the executive branch, the former noted that it was better to create a new bill, because the one submitted has so many errors that the option of redoing it is easier. The fellow Deputies Mendez Mata and Fishman Zonzinki have engaged in a thorough study of this matter and have already proposed over 30 reforms; because, as Deputy Fishman commented at the entrance to the Presidential House, the bill "had neither feet nor head." This reveals, quite seriously and concretely, the degree of improvisation with which the government took office, and the surreptitious intention of purely and simply fostering a greater bureaucratic expansion.

The president says that he is attempting to modernize the production structure but, as in almost everything he says, the estimable Mr Arias has not indicated definite policies. It would appear that he is waiting for the miraculous intervention of a "deus ex machina" that would extricate him from the difficulty.

But what are the non-measures which we do know about? Fuel prices have not dropped despite the considerable decline that has occurred in those for crude; taking competitive capacity from the industry and, in general, from all economic activities, particularly those engaged in exporting.

Another example: A cut in bank interest has been announced for the agricultural sector, but it so happens that there is no available credit to put this measure into effect. There is an awareness of the need for a banking restructuring; it has been announced, yet nothing is being done.

And we continue: Don Oscar has told us that an impetus must be given to the cooperative sector, and, consistent with his policy that "yes" means "no," as soon as he makes the appointment of his cabinet, he eliminates the Ministry of Cooperative Affairs. A proposal from government deputies even attempted to eliminate the cooperative sector's participation in programs of national interest, such as the national financing system for housing. In the transportation area, the cooperative movement has experienced uncertainty with the lack of clearcut policies, specifically, for the payment of the tariff differential, and the operating permits, as well as the lack of backing for the small transportation cooperatives. To summarize, quite the opposite of its underlying principles, lack of stimulation and indifference have typified the executive branch's management in this respect.

And if we turn our attention to the area of community development we shall find improvisation, the absence of plans, and disrespect for functional independence: three general directors of DINADECO [National Directorate of Community Development] within a 3-month interval; the National Development Council has been formed after 3 months of government; and the delegates from these associations are complaining that they were pressured to vote for those recommended by the Presidential House to hold positions on the Popular Bank's board of directors.

Strangely enough, the only project that seems to be progressing is the one relating to the housing sector. And I say strangely because it is based precisely on a Social Christian Unity program widely publicized in the campaign. Unfortunately, it is not up to us Social Christians to ensure that the instruments necessary for putting this program the execution of which is urgently required into effect are determined, because that is incumbent on the government. Our contribution can only go so far as the definition of the program; a contribution which we have already made and which could help the Liberation administration to at least carry out one of its offers; what follows is beyond our potential.

How PLN attacked us during the campaign, because we said that, except in special cases, vacancies in the public sector would not be filled! Public employees were threatened, telling them that our entry into the government, and the putting of the "chainsaw" into operation was a single, simultaneous act. And in the renegotiation that the "Arista" administration is engaged in with the Monetary Fund , it is noted that they will eliminate 5,000 public positions. Can it be that when Dr Arias refers to the creation of 25,000 jobs per year, he means "jobs without employees"? Is it another "yes" that means "no"?

In his inaugural address, Don Oscar Arias stated:

"Today, we are confronting our challenges. The problems of the present demand different solutions, filled with imagination and daring." And he added: "But we also want to do new things, which respond to the challenges of the times. We are in a new world, and we have not yet solved some very old problems..."

During the 100 days of his government that have elapsed, not only have no new things been done, but new solutions have not even been provided; rather, a few things have been done, and no old or new solutions have been provided for old problems. Imagination has been lacking, and verbal daring has been abundant.

Finally, the government's foreign policy pursuits have vanished in a wake of failures, born of rosy dreams that are not in keeping with the harsh sociopolitical reality in which we are submerged.

One of its obsessive issues, the signing of the Contadora Act by Nicaragua, was not achieved; the famous document that was to be signed by the Latin American presidents attending Dr Arias' inauguration, in order to form an alliance pressuring Nicaragua to initiate the democratic system,was not signed; in other words, it was not accomplished either. But what was attained was the creation of a tense situation between Costa Rica and its leading ally, thanks to Dr Oscar Arias' unfortunate remarks during his "prehoneymoon" trip to South America, shortly before taking office, only to curry favor with the United States later, feeling secure based on the premise that to sin and pay makes things even; conveying a factional line to his congressmen, so that they would vote for the tuna fishing agreement, even though the latter by no means benefited Costa Rica. Frankly, for the good of the nation, it is to be hoped that Don Oscar will postpone his Bolivarian illusions and, attempt, to the extent of his ability, to be guided by a foreign policy that is more realistic and effective.

2909
CSO: 3248/602

CUBA

INCREASED REPORTING OF THEFT, FIRES

Car Break-ins

FL211830 Havana Radio Periodico del Aire in Spanish 1600 GMT 21 Aug 86

[Text] MININT [Ministry of Interior] members have captured red-handed a resident of Arroyo Naranjo while he was removing a radio-cassette player from a car parked at the Parque de Paseo and Fifth Streets in Vedado. After investigating the matter, it was learned that the individual has carried out 15 similar acts in various areas of Vedado and a second person had sold the stolen goods.

The two citizens have been sent before the peoples' tribunal.

Warehouse Thefts

FL211936 Havana Radio Periodico del Aire in Spanish 1600 GMT 21 Aug 86

[Text] PRN [National Revolutionary Police] personnel in El Cerro have arrested two citizens found hiding in an empty lot on Infanta and Manglar Streets after having broken and entered into a warehouse located at Santana and Mariano Streets from which several articles had been taken.

During the investigation, it was learned that 12 more citizens were carrying out the same activities in trade and service centers and are responsible for 19 forceful entries in several areas.

It was also learned that two other persons were selling the stolen goods in their work areas. These individuals are at the disposition of the tribunals.

Warehouse Fire

FL221207 Havana Radio Progreso Network in Spanish 1100 GMT 22 Aug 86

[Text] A large fire has totally destroyed the chemical substances and related products warehouse at Palma Soriano's Baydee Santamaria Cuadrado Publishing House. The fire occurred yesterday and although there were no deaths, it resulted in considerable material damage. The fire's causes are being investigated by Interior Ministry specialists.

/8309
CSO: 3248/621

BRIEFS

NEW FUEL CRISIS--With Guyana again in the grips of a fuel shortage, President Desmond Hoyte last night rejected rumours that it stemmed from a collapse of the new supply agreement with neighbouring Venezuela. He also announced that two emergency shipments would arrive before weekend. "The inconvenience we are experiencing because of the fuel situation did not result from any breakdown of our agreement with Venezuela," he said in a radio broadcast. "It had nothing to do with any default by either the Guyanese or the Venezuelan authorities. The agreements are intact, remain in full force and effect, and are working well." Officials earlier had blamed the fuel shortage on the breakdown of a Texaco-owned tanker transporting supplies here from Venezuela. Hoyte said under alternative arrangements involving two dealers, Shell would bring in 161,000 gallons of gasolene tomorrow and Esso would receive a shipment of 210,000 gallons on Friday. Earlier this year, Guyana experienced an acute fuel shortage, evidenced by the long queues of vehicles waiting outside petrol stations for as long as 24 hours to obtain supplies. [Text][Port-of-Spain DAILY EXPRESS in English 13 Aug 86 p 17]/12828

CSO: 3298/536

ROW ERUPTS OVER GOVERNMENT ACTION AGAINST PRIEST

Work Stoppages

Port-of-Spain DAILY EXPRESS in English 13 Aug 86 p 15

[Text]

PLYMOUTH, Tuesday (CANA) — A business sector-led protest against the Montserrat Government's decision to expel a St Kitts-born Anglican priest intensified this afternoon, with a work stoppage by civil servants and essential service workers.

The Chamber of Commerce, which launched the protest this morning calling for all businesses to be closed for the day, this afternoon reported a near 100 per cent response to its appeal.

The medical association, grouping the island's doctors, said its members had also joined the protest by suspending public clinics and restricting their private practice. Only emergency cases will be dealt with at public clinics.

The national upheaval follows the government's announcement yesterday that it had served a deporation order against the Reverend Alston Percival, accused by the authorities of meddling in local politics.

Percival, chairman of the Montserrat Christian Council (MCC), was given seven days to leave or be put out. He has denied the government's charge that he dabbled in politics.

General secretary of the Montserrat Allied Workers' Union (MAWU), Verene Thomas, said electricity, water, port, and aviation workers along with colleagues in social security voted during a general meeting this morning to "withold their services until further notice".

The government radio station also went off the air just before midday.

Church, Government Talks

Port-of-Spain TRINIDAD GUARDIAN in English 15 Aug 86 p 16

[Text] **PLYMOUTH, Montserrat, Aug. 14, Cana** — CHURCH and Government leaders in Montserrat met today to resolve a dispute that has triggered business closures, the slowdown of work in the public sector as well as the disruption of water and electricity supplies.

Churchmen Orland Lindsy, Bishop of the Anglican Diocese that includes this British colony, had talks with Governor Arthur Watson, Chief Minister John Osborne and other Government Ministers on the row over Priest Alston Percival, ordered to leave the colony.

Informed sources told Cana the meeting threw up recommendations for resolving the dispute and the Montserrat Christian Council had scheduled a meeting for later today to discuss them.

Refuses To Go

The Government has accused Percival of meddling in Montserrat's political affairs and told him to leave the island by Sunday. Churchmen, seevral businessmen and trade unionists are backing Percival, who refuses to go.

Last night the Chamber of Commerce called for a shutdown of the business community after the Government continued to maintain that Percival must leave.

For the third day, today, businesses remained closed and hundreds of civil servants stayed off the job.

Reduced turn-outs at workplaces has led to disruptions in the water and electricity services.

Representatives of the Christian Council and the Chamber of Commerce today led a protest march to Government House.

At the same time Bishop Lindsay and a diocesan delegation was meeting with Governor Watson, Osborne, other Government Ministers and officials.

Percival and a delegation from the Christian Council were later invited to join the meeting.

Today's march on Government House followed a church service which attracted hundreds including members of the Montserrat Allied Workers' Union, the Medical Association and Public service organisations.

Government Compromise

Port-of-Spain TRINIDAD GUARDIAN in English 16 Aug 86 p 1

[Text] **PLYMOUTH, Aug. 15, Cana** — THE MONTSERRAT Government is to withdraw an expulsion order on Anglican priest Alston Percival after he agreed to leave Montserrat at the end of the year.

The compromise agreement was announced last night after three days of islandwide strikes and protests.

Business returned to normal in this British colony of 12,000 people today.

The agreement was reached during talks involving Bishop Orland Lindsay, Archdeacon Peter Dalley, Percival, Governor Arthur Watson, and Chief Minister John Osborne and his Cabinet.

But the protest leaders, including the Montserrat Christian Council, the Montserrat Chamber of Commerce and Industry, and the Montserrat Allied Workers' Union, say basic issues with the Government have been only postponed, not resolved.

Religious and civic groups said the action against Percival was an abuse of individual human rights.

Return To Work

Kittitian-born Percival, who has denied Government charges of meddling in local politics, had been given until Sunday to leave the island.

A spokesman for the protest organisations said that arising out of the Percival affair, there were problems that needed to be addressed, including the freedom of the Church from manipulation and interference by politicians and the erosion of the individual's right to freedom of expression.

Calling on all workers to return to work today, general secretary of the Montserrat Allied Workers' Union, Verene Thomas, said she hoped there would be no reprisals.

Business opened as usual this morning and utility companies which were hit by the protest, resumed normal operations.

Osborne on Elections

Bridgetown CANA in English 1952 GMT 18 Aug 86

[Text] Plymouth, Aug 18--Monsterrat's chief minister, John Osborne, today ruled out the possibility of an early general election. In an interview with CANA Radio, Osborne said his party had made no plans for an early poll.

The opposition politicians had speculated that an unheaval in this British colony caused by the government's decision to expel an Anglican priest, Aiston Percival, would force the government into an early poll.

Several businesses were closed and hundreds of government workers stayed off the job last week, demanding St Kitts-born Rev Percival be allowed to stay. However, a compromise was reached with the priest, accused by the government of meddling in the colony's political affairs, agreeing to leave at the end of the year and the government dropping the expulsion order.

We never had any plans or made any plans for an early election, Osborne told CANA Radio. This is another opposition tactic. The constitutional date for general elections is 1988 and we haven't made any other arrangement.

In the interview, Osborne listed unemployment among the colony's major problems. He said establishment of the island's first casino and associated hotel would ease the problem.

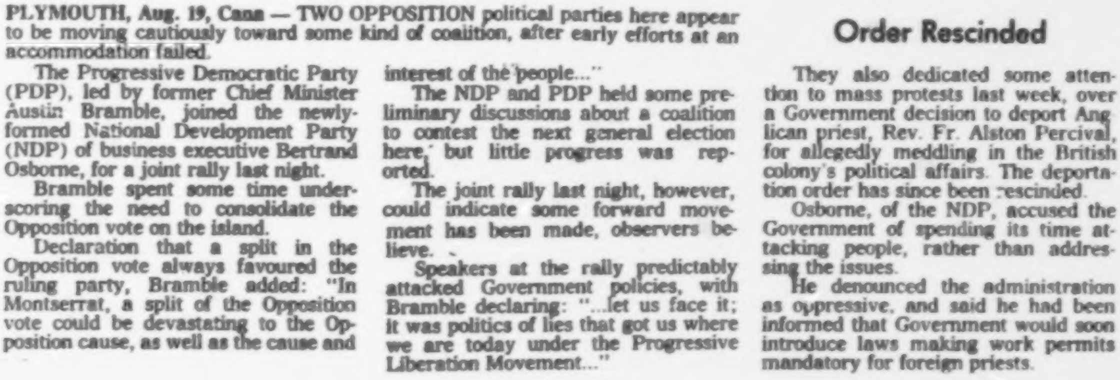
The hotel-casino project, which has long been on the drawing board, has come under heavy fire from churchmen and the government's political opponents.

I believe if you were to take a vote on building...the hotel with the casino it would be (in favour) mainly because of the economic situation, Osborne said. He added: the people want work to earn a living and certainly that (project) would provide a living for a good number of people.

Opposition Coalition Moves

Port-of-Spain TRINIDAD GUARDIAN in English 20 Aug 86 p 5

[Text]



PLYMOUTH, Aug. 19, Cana — TWO OPPOSITION political parties here appear to be moving cautiously toward some kind of coalition, after early efforts at an accommodation failed.

The Progressive Democratic Party (PDP), led by former Chief Minister Austin Bramble, joined the newly-formed National Development Party (NDP) of business executive Bertrand Osborne, for a joint rally last night.

Bramble spent some time underscoring the need to consolidate the Opposition vote on the island.

Declaration that a split in the Opposition vote always favoured the ruling party, Bramble added: "In Montserrat, a split of the Opposition vote could be devastating to the Opposition cause, as well as the cause and interest of the people..."

The NDP and PDP held some preliminary discussions about a coalition to contest the next general election here, but little progress was reported.

The joint rally last night, however, could indicate some forward movement has been made, observers believe.

Speakers at the rally predictably attacked Government policies, with Bramble declaring: "...let us face it; it was politics of lies that got us where we are today under the Progressive Liberation Movement..."

Order Rescinded

They also dedicated some attention to mass protests last week, over a Government decision to deport Anglican priest, Rev. Fr. Alston Percival, for allegedly meddling in the British colony's political affairs. The deportation order has since been rescinded.

Osborne, of the NDP, accused the Government of spending its time attacking people, rather than addressing the issues.

He denounced the administration as oppressive, and said he had been informed that Government would soon introduce laws making work permits mandatory for foreign priests.

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CSO: 3298/537

UNO LEADER CRUZ COMMENTS ON SANDINIST REGIME, RESISTANCE

PA150329 San Jose RUMBO in Spanish 8-14 Aug 86 pp 20, 21

[Report on RUMBO interview with Arturo Cruz, leader of the Nicaraguan Opposition Unity [UNO] on 30 June; place not given]

[Text] Arturo Cruz, in an exclusive interview for RUMBO on 30 June, said that the measures imposed by the Sandinist government at the end of June when it closed LA PRENSA newspaper and prohibited the entry into Nicaragua of two Catholic priests, are not only due to the rebel aid agreed to by the U.S. Congress, but to the government's intention to consolidate a totalitarian regime.

He said that the U.S. support became the immediate trigger for the Sandinists to take action against the people and opposition, but another important factor was that the Contadora Group, which up until then had been used by the Sandinists to gain time, had begun to play a secondary role to the Central American countries.

"Knowing the commanders, I know they are worried because international pressures are increasing, and the focus on the double path (military-political) is becoming an effective reality."

Cruz added that presently the greatest benefit that the Managua Government could gain would be the consolidation of their power, and if with this objective they have to sacrifice a little international support for their propaganda needs, "I believe that the choice is clear: the Sandinsts will go for totalitarian power."

The Reaction

The U.S. House of Representatives on 25 June approved by 12 votes President Ronald Reagan's plan for $100 million in military and humanitarian aid for anti-Sandinist forces grouped within the UNO and whose leaders are Adolfo Calero, Alfonso Robelo, and Arturo Cruz himself.

On 26 June, the Nicaraguan Government ordered the indefinite closure of the LA PRENSA daily, followed by a strong warning to the opposition. In addition, President Daniel Ortega Saavedra said that the state of emergency, which had been in force since March 1982, would be strictly and severely enforced.

Following that, on 28 June, Father Bismarck Carballo, a close collaborator of Cardinal Miguel Obando y Bravo, was not allowed back into his country, thus forcing him into exile. A week later Bishop Pablo Antonio Vega was expelled to Honduras.

Cruz said that the Sandinists are afraid of the formation of an internal front, but any religious or civilian leader that opposes the regime and contributes to strengthening internal resistance is anathema, and from the official perspective, constitutes a danger.

"It would not surprise me if the Sandinists try to break the internal leadership, and as they did with Carballo and Vega, coax a few, and condition their behavior even more. I have heard that some political religious, and trade union leaders will be ousted from Nicaragua."

Regarding the reopening of the La Prensa daily, he did not rule out this possibility, but it would mean tremendous censorship, in which probably 80 percent of the material would be eliminated.

The regime "is showing its teeth and is prepared to repress any attempt to a front or internal rebellion, or popular demonstrations. This is going to grow."

Advance

Arturo Cruz asserted that ever since the Sandinist administration rose to power in 1979, it has worn a "mask."

"The general discontent that violently rejected Anastasio Somoza, in addition to the international rejection of him, was very shrewdly used by the FSLN to sell the idea of a social democratic project. There was an enthusiastic national consensus that brought them to power. They appeared to be social democrats, and they become not only a military vanguard but also a political vanguard and begin to undermine the Broad Opposition Front--that was eminently pluralist--and it was replaced with structures that the FSLN could trust."

According to Cruz, the Sandinists officially maintain a pluralist charter and make the world believe that they respect it. These tactical concepts give them a certain flexibility. However, "as the regime gradually advances it definitely heads toward totalitarian consolidation."

"They have been advancing and teaching their totalitarianism. Arrangements have been made with the USSR at the party and government levels, and the entire system is made Sandinist."

In spite of the fact the Sandinists have tried to take a different stand in the international field, practically everyone is convinced of the totalitarian nature of Nicaragua.

Departure

Until some time ago, Cruz thought that a political option was the most convenient thing for his country. However, he admits that following his departure from Nicaragua in 1981, his skepticism over the FSLN's attitude grew.

"Recently, the four democratic governments of Central America finally convinced me that this [democratic opening] is not possible, and even they have been able to see for themselves that the Sandinists do not want a political solution."

In January of this year, the internal opposition presented a proposal to the government demanding a national reconciliation and the democratization of Nicaragua. The attitude of the Front has been the same: They are not interested. The only wat the Nicaraguan internal opposition could contribute to a political settlement would be by accepting submission, Cruz said.

However, what would be the alternative if there is not a political solution? A U.S. invasion, or a Central American confrontation?

Cruz believes that the Opposition Nicaraguan Unity [UNO] is an element of pressure within a military effort, that, combined with an uprising of the people and with spectacular military actions, could oust the Sandinists. Even so, the lack of unity of the Nicaraguan political resistance makes that possibility very difficult.

Some analysts believe that the only feasible position for ousting the Managua regime would be a Central American struggle, with the logistical support of the United States.

When the opposition leader was asked to comment on this, he cautiously said that he does not believe a direct U.S. intervention is possible in Nicaragua, now or ever, because the political cost is very high. He did not rule out that there may be pressure by the countries of the isthmus, with U.S. support, that might achieve "a final struggle."

Arturo Cruz said these hypotheses could be expected if UNO fails in its battle to establish a new democratic order. "Calero, Robelo, and I have agreed in Miami not to create any more organizations or parallel structures to achieve a greater unification of the rebel forces. We have all the instruments necessary for winning the war and a historical challenge to establish a true democracy in Nicaragua."

The UNO leader said there are two political steps that might help them reach their goals: establishing a consultative assembly and broadening the directorate. The assembly would have three powers: consulting, recommending, and resolving.

Broadening the directorate would consist of including other representatives to participate, such as Indians, workers, businessmen, and so forth.

UNO was created by Adolfo Calero, Arturo Cruz, and Alfonso Robelo on 12 June 1985. The three of them participated in the Nicaraguan revolution. Cruz and Robelo occupied high-ranking positions in the Sandinist government.

Cruz, a former member of the provisional Nicaraguan Government junta, and former Sandinist ambassador to Washington, was a presidential candidate for the Nicaraguan Democratic Coordinating Board, until that coalition formed by politicians, workers, and businessmen gave up the electoral campaign and decided to reject the elections of 4 November 1984.

His union with Calero, the political director of the FDN, which is the largest of the insurgent groups, and with Robelo, who is the leader of the Nicaraguan Democratic Movement, represented a significant step, because Cruz had always kept himself away from the armed opposition.

According to Cruz, his decision to join and form the UNO, was entirely provoked by Sandinist intransigence, which completely reduced the possibilities for political participation.

Despite that coalition, several political observers say that there are large differences among the three leaders, especially between Calero, who follows the military trend, and Cruz and Robelo, who prefer the political one.

Cruz told RUMBO that that was untrue, and that although it is true that there are sectors which identify with the political orientation, there are others, which clearly and openly identify with Calero.

Cruz said: "There are differences, but we are working to prevent the consolidation of the Sandinist regime, and we are proud of being united in that struggle."

Besides those alleged differences, the UNO leaders have had to face other problems; for example the accusations of corruption presented against them.

It is said that high-ranking military chiefs are taking large amounts of money from the U.S. financial aid, in order to become rich.

In that regard, Arturo Cruz said that UNO directors requested the U.S. agencies to improve their control systems, to demand a complete investigation, for investigations not to be left in midair, without definite conclusion, and for the verdict to be released to the public. In addition, Cruz asserted that they are improving their "internal accounts, and carrying out investigations in order to find the culprits, in case there are any."

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CSO: 3248/619

PROTESTANT TEMPLE IN MANAGUA DESTROYED

PA281629 Managua BARRICADA in Spanish 27 Aug 86 p 5

[Communique issued by the Directorate of Public and International Relations of the Nicaraguan Interior Ministry in Managua on 26 August]

[Text] The Directorate of Public and International Relations of the Interior Ministry reports to the people that on Sunday, 24 August, from 2300 to 2400, a group of approximately 200 Venezuela neighborhood residents vandalized and destroyed buildings that were used as a temple by the Protestant denomination, Assembly of God. During the incident, Mr Elmer Guerrero was seriously injured and is currently hospitalized.

The preliminary investigations indicate that this incident stems from a dispute over the use of the land where the above-mentioned temple was being built. The land was community property that had been used as a park and sports area. The alleged unlawful occupation of the land by the pastor of that temple had greatly disturbed the area residents, who met to carry out the action already described.

The Sandinist Police have identified and captured the main instigators of this riot. After the investigations on the alleged culprits are completed, they will be placed under the order of the appropriate judge for trial.

Managua, 26 August 1986. Twenty-five years later, all weapons against aggression!

Directorate of Public and International Relations of the Interior Ministry.

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CSO: 3248/620

BRIEFS

CONVERSION OF MILITARY RANKS--The Interior Ministry's Directorate of Public and International Relations informs the Nicaraguan people that the conversion of the military ranks as well as promotions will be carried out as part of the ministry's seventh anniversary celebration on 17 October 1986, at a solemn ceremony led by President Daniel Ortega Saavedra. Given in the city of Managua on 22 August 1986. [Communique issued by the Directorate of Public and International Relations of the Nicaraguan Interior Ministry in Managua on 22 August] [Text] [Managua Radio Sandino in Spanish 0000 GMT 23 Aug 86 PA] /12232

D'ESCOTO-'ARAFAT MEETING--Nicaraguan Foreign Minister Miguel D'Escoto has met in Baghdad with PLO leader Yasir 'Arafat. During the meeting, they discussed the Middle East conflict and the international situation. They are both visiting Iraq. [Text] [Havana International Service in Spanish 1600 GMT 24 Aug 86 PA] /12232

CSO: 3248/618

PARTIES IN PRE-ELECTION JOCKEYING: DATE MAY BE SET SOON

Discussion of Race Issue

[Anthony Milne Column "Election '86": "A Counter Blast to Racist Politics"]

[Text]

UNLESS MANY PEOPLE are mistaken, race will once again play a role in the campaign for the Trinidad and Tobago general election.

The national anthem speaks of every creed and race finding an equal place, and the tourist brochures note the wonderful peace that exists among the "many" different groups; those who live here know differently, at any rate at election time.

In this respect, the efforts of the Christian Council and anyone else with the same concerns must be highly commended. It is time racist politics was beaten, and the present movement towards two strong "national" parties, crossing all the lines, is good in this respect.

Emphasis ought to be placed on this by the parties themselves, in a cultivation of "new politics," and the temptation to small-town racist campaigning for quick returns avoided.

But is this at all possible and is it happening yet?

The recent statement from Prime Minister George Chambers on whom his party represents and the storm of criticism, unwarranted or not, that accompanied it, show how close to the surface this matter lies.

At a recent political meeting in Caroni, an elegant gentleman clicked his gold cigarette case shut and made an intervention on the subject.

"Mr PW Botha," he told his listeners, "has passed a law called apartheid separating people in South Africa. In Trinidad and Tobago, on the other hand, my party has made it possible for all races to live in harmony."

Politicians opposed to this gentleman might claim the opposite; but the statement is an indication of the way in which South Africa, as a racial issue, has become a local political concern.

Both the National Alliance for Reconstruction (NAR) and the ruling party want to be seen to be the real champions of black people, here and elsewhere: this is the key to power in the formidable East-West corridor.

There have been motions in the UN Security Council and calls for boycotts or sanctions.

Oddly, there have also been *beatings* of anti-apartheid demostrators outside the Queen's Park Oval, and a confidential report on this fiasco has remained in the hands of the Government for months, impossible to release since the matter is still in the court's jurisdiction — and cannot be brought as quickly to trial as other recent matters for reasons that remain unexpressed.

Often, there are "officially" only two races here, a judgment perhaps influenced by the substantial number of votes involved.

For example, among the NAR's plans for "cultural development," in its new *Agenda for the Future*, is a Folk Centre.

Included in the main areas for research and display is: "Afro- and Indo-Trinidad and Tobago with the emphasis on cultural identities, costumes, artifacts, ceremonies."

No mention of anyone else.

The explanation was that this was an oversight, to be corrected as the document is amended.

They forgot to pay even lip service to "French Creoles" (and this group's Portuguese, Syrian etc, subdivisions), to the Chinese, to the Carib Queen and her extensive family, to *Coco-Pagnols* and all the various mixtures whose culture is *only* Trinidadian.

Is this perhaps a harbinger of the campaign to come, like the Prime Minister's recent statements?

For if it is popular for politicians to claim to be particularly sympathethic to one "group," or perhaps two, it is equally popular for them to be dead against another "group" and all it represents.

What used to be the ONR was thoroughly abused for daring to do something different: *Every* creed and race?

This evil is particularly dangerous because it can, and sometimes is, tranferred to the relationship between the two major groups, and offers fuel to the arguments of those who say elections should be done away with altogether because of their divisive effect.

So far the worst has been kept in check, here if not in Burnham's mudlands.

The PNM has every right to attempt to win all the Caroni seats, especially since they may lose some in the East-West Corridor; the joining of two great forces in the NAR is expected to provide a way across the great divide.

There is no shame whatever in one party having inherited from another: this splitting has occurred in all great two-party systems, not that the system must be absolutely two-party —it has not been this way for a long time in the home of "Westminster democracy," and is becoming less and less so there.

The election will be won, we are assured, in the East West corridor. One NAR politician, speaking frankly, told the people of Malick recently that change is up to them.

Ironically it is largely to these parts that the illegal Grenadian and Vincentian immigrants the Opposition says the PNM has let in have come, bringing a new culture, claiming special rights, and suddenly assuming they are more Trinidadian than anyone else.

Now there has been a new twist to the conundrum, with the NAR advocating an amnesty for immigrants already here, and no doubt claiming their votes at the same time.

Indeed this is a time of new alignments.

NAR on Code of Ethics

Port-of-Spain TRINIDAD GUARDIAN in English 12 Aug 86 p 7

[Text] **SAN FERNANDO** — THE NATIONAL Alliance for Reconstruction (NAR) intends to keep that solemn pledge that it gave to the Christian Council of Churches — that the NAR will stick to the code of ethics outlined by the Churches for the general election.

Last Saturday morning, Political Leader A.N.R. Robinson, Deputy Political Leaders Basdeo Panday, and Elections Manager Anthony Smart addressed a one-day seminar organised by the party and held at Barron Building, Cipero Road.

The seminar dealt with the conduct of the NAR political campaign, platform ethics, public speaking and generally the code of ethics proposed by the Christian Council of Churches.

Keeping It Clean

A spokesman for the NAR said yesterday: "NAR is seeking to keep the election campaign clean".

He said the NAR believed there would be rumour mongering and character assassination.

"But we have given the Christian Council of Churches our word that we will stick to the code of ethics as proposed by them," he added.

Meanwhile, the various constituencies of the NAR are organising conferences to discuss the matters relating to the upcoming general election.

The Couva North constituency will hold its conference on Saturday at 2 p.m. at Rienzi Complex, Couva.

Attack on Robinson

Port-of-Spain DAILY EXPRESS in English 13 Aug 86 p 12

[Text]

A PEOPLE's National Movement (PNM) general council member has suggested that a "personal attack" made on Prime Minister George Chambers by National Alliance for Reconstruction (NAR) party leader Ray Robinson last Sunday be reported to the Christian Council of Churches (CCC).

Robinson said at an NAR meeting in St Joseph at the weekend that "Chambers is already politically dead and buried and we just need to put his ghost to rest now."

The Christian Council has advocated a code of ethics for those involved in the campaign leading to the general election expected by February next year for the latest.

The PNM council member said he believed Robinson was losing credibility for personal attacks on the Prime Minister, though anyone, who had witnessed Robinson's attitude in the 1984 Tobago House of Assembly Election would not be surprised.

The PNM's general council is to meet at Balisier House on Sunday, in the wake of a big party mobilisation meeting at the same venue the day before.

The report was presented to the PNM convention earlier this year.

Poll Date Speculations

Port-of-Spain SUNDAY GUARDIAN in English 17 Aug 86 p 1

[Text]

PRIME Minister George Chambers is likely to announce the date of the forthcoming general election on Sunday, September 28, when he delivers the feature address at an "Assembly of PNM Women" at the El Dorado Senior Comprehensive School.

Announcement of the meeting, at which party sources expect more than 5,000 women, was made at yesterday's election preparedness session held at the party's Balisier House headquarters.

Prime Minister Chambers attended yesterday's meeting but did not speak. It was reported he wanted to assess for himself the reports from the various constituencies and the status of their mobilisation exercises.

On the likelihood of the Prime Minister announcing the date on that occasion, a party source said:

"As is well known, the women have always been the backbone of the party and it is quite likely he will chose that time to make the announcement."

Robinson Praise for Panday

Port-of-Spain TRINIDAD GUARDIAN in Enlgish 18 Aug 86 p 3

[Text]

SAN FERNANDO — POLITICAL Leader of the National Alliance For Reconstruction (NAR) A.N.R. Robinson on Saturday paid public tribute to Opposition Leader Basdeo Panday, one of the Deputy Political Leaders of the party, for shouldering his responsibilities in his many spheres of activities, despite lots of pressures.

Mr. Robinson told a packed hall at the Rienzi Complex, Couva, on the occasion of the Couva North constituency meeting of the NAR, that he must pay tribute to Mr. Panday because few politicians in the Caribbean and, indeed few politicians elsewhere were subjected to pressures that Mr Panday was subjected to because of his many responsibilities.

He said Mr Panday was the leader of an important union in the country, leader of the Opposition in the National Parliament; he had the responsibility of being one of the deputy political leaders of the NAR, while also being called upon often to practice his profession as a barrister at law.

"He is a man of many parts with many responsibilities subjected to many pressures, and I ask you to give him your fullest co-operation in the performance and the discharge of the responsibilities which fall upon his shoulders," the political leader said.

Mr Robinson said he was sure the constituents in Couva North would wish Mr Panday to continue to be their representative for the foreseeable future.

However, Mr. Robinson warned the gathering that if it was their wish, then they might very well find that in the future Mr Panday would have to relinquish some of the responsibilities he now holds in order to undertake other and higher responsibilities.

"And I am sure, if and when that time comes, as it is likely to be the case, that you will welcome it and again you will give him and the NAR your whole hearted co-operation."

Mr Robinson told the cheering audience that the National Alliance for Reconstruction is what it says — it is a National Party. "We do not represent one section of the nation. We represent all sections of the nation," he emphasised.

He emphasised that the party was taking the responsibility of nationhood seriously. "And you could only build a nation on solid foundation when you recognise that in that nation as we do in our National Anthem — Every Creed and Race must find an equal place."

Concerns in PNM

Port-of-Spain DAILY EXPRESS in English 18 Aug 86 p 3

[Text] **NON-attendance at Central Executive meetings of the People's National Movement (PNM) is causing concern within the party.**

According to a memo sent to members of the Central Executive by the PNM secretariat, a meeting of the Central Executive scheduled for Tuesday, August 5, was the second consecutive meeting that did not come off because less than 10 members turned up.

There must be at least 10 members present before a meeting can take place.

"It may be necessary therefore," the memo continues, "to forward a record of attendance to the General Council so that a decision can be taken as to what follow-up action might be appropriate in the circumstances."

There is claimed to be some concern generally in the party about organisation and leadership.

But it is felt that Prime Minister George Chambers's announcement yesterday that he had instructed the party's general secretary to notify party groups to start the procedure for nomination of candidates could mean a new enthusiasm.

Activists, who have reportedly expressed worry over lack of direction should be reassured by this action, it has been suggested.

There were two big PNM meetings at Balisier House, Victoria Avenue, Port of Spain, at the weekend. On Saturday, constituency representatives and other activists met to discuss the party's election preparedness. On the agenda of yesterday's General Council meeting was the report of the PNM Youth Committee and the appointment of a new member of the Central Excutive to replace Stanford Callender.

Call for Nominations

Port-of-Spain TRINIDAD GUARDIAN in Enlgish 18 Aug 86 p 1

[Article by John Babb]

[Text]

THE POLITICAL machinery of the People's National Movement (PNM) was cranked into motion yesterday by the party's Political Leader and Prime Minister, George Chambers, when he issued a directive to the 400-odd groups, giving them the green light to begin nominating candidates for the upcoming General Election.

At a meeting of the party's General Council, held at Balisier House

Mr Chambers instructed the General Secretary, Alvan Quamina, to write all party groups, informing them that they can proceed with the process of submitting nominations.

Yesterday's session followed a meeting of the PNM's Central Co-ordinating Committee which was held at the same venue on Saturday.

Mr Chambers's all-clear yesterday, some party sources said, places the timing of the General Election "in about three months from now."

And as one official hinted, "the tempo of jockeying in the party group camp for nomination will now be stepped up." But he reminded of Mr Chambers's recent statement that he - Mr Chambers - would be the 'most unpopular man' when it came to the selection of candidates for the 36 constituencies.

In the past it was well-known that a few nominees had bullied their way before the party's Screening Committee, but they were all rejected.

After the party groups have submitted their nominations, the Screening Committee, which is headed by the party's Chairman, will then fix dates for the screening of nominees.

October Convention

The Political Leader, Mr Chambers, in consultation with the Screening Committee will make written recommendations on each nominee to the party's Central Executive, whose decision would be final.

Based on the time spent in screening nominees, party sources hinted yesterday, that the party's special convention at which the names of candidates for the 36 constituencies, would be announced, may take place towards the end of October.

After that, it would then be up to Mr Chambers to play his 'ace' - call the Election Date.

[The Port-of-Spain DAILY EXPRESS of 19 August, page 3, also reports that "September 8 is the deadline" for the nominations by PNM constituency groups.]

["After this date, the screening committee gets to work on the task of choosing candidates from the nominees. The committee however, can meet before this and recommend several nominees to the constituency groups. The screening committee consists of Political Leader and Prime Minister, George Chambers; party chairman, Francis Prevatt; vice-chairman, Senator Russell Martineau; general secretary, Alvan Quamina; elections officer, Winston Best and party operations officer, Lionel Murray."]

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CSO: 3298/538

PRIME MINISTER RESUMES TOURS OF STATE ENTERPRISES

Port-of-Spain TRINIDAD GUARDIAN in English 15 Aug 86 p 3

[Text] **PRIME MINISTER George Chambers will resume his visits to State-owned enterprises at 9.30a.m. on Monday. He will visit Trinidad and Tobago Printing and Packaging Limited and British West Indian (International) Airways.**

The Prime Minister will be accompanied by the Minister of State Enterprises, Ronnald Williams; Minister of Industry, Commerce and Consumer Affairs, Senator Wendell Mottley; Labour Minister John Donaldson and other Government officials.

Over the past months Mr. Chambers toured export-oriented factories in the private sector and heard a litany of complaints from manufacturers ranging from bureaucratic red tape to blunt refusal by some departments to perform certain functions.

However, much information about the manufacturing sector was gleaned from the tour, so much so that Mr. Chambers recalled recently that had he not visited the plants the population would not have been aware of what was going on in the manufacturing sector.

Health And Safety

While accompanying the Prime Minister on his rounds, Mr. Donaldson even noted that export manufacturers had shown an acute awareness of the need for good industrial relations and proper occupational health and safety requirements.

Mr. Donaldson said he was amazed at the facilities provided for workers by management, adding that the country would also be surprised

During his tour on Monday, it is expected that Mr. Chambers will be told of the problems that confront the State Enterprises sector.

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CSO: 3298/538

TOBAGO HOUSE OF ASSEMBLY AGAIN AT ODDS WITH GOVERNMENT

Funding Irregularity Charges

Port-of-Spain TRINIDAD GUARDIAN in English 11 Aug 86 p 3

[Article by Gail Alexander]

[Text] **Plans for severel long-term development projects in Tobago have been halted due to irregular funding by Government. This was stated by representatives of the Tobago House of Assembly last week, who told the media that Government's irregular disbursement of funds was causing a crisis.**

Further,Deputy Chairman of the Assembly,Dr Jeif Davidson, said that the non-receipt of funds placed a number of long-term develcpoment projects on hold.

One of these is the Scarborough Abbatoir for which the Assembly received $1m in 1985. This year no funds have been obtained to continue work on the project and it hangs suspended,according to Dr Davidson.

In May,Assembly members requested $457,000 for development of tourism —the sister isle's mainstay—but received no reply to date.

The THA also requested funds for conducting marketing and intelligence research, but no money has been received since April this year.

The Assembly's agricultural programme—involving a special type of tropical-climate sheep,is suffering from lack of funds, as is its cultural development plan for which the THA requested $135,000, and to date has received nothing.

The sister isle's infrastructure also stands to suffer, Dr Davidson said. He told the media that the Secondary Roads Company (SRC) shut down its operations on the Bon Accord Raod development project last week because it had not received payment.

He added:

"They have also stopped work on the Bloody Bay-Roxborough project. We owe the SRC approximnately $943,000, and we need their services to complete our road development plans.Luckily enough we were able to complete and open the Mt Dillon-Castara section recently.But we have no funds to continue with the Windward Road development, another important project."

Immediate discussions

Dr Davidson called on Ministry of Finance officials to hold immediate discussions with the THA regarding the regular disbursement of funds. He said the Assembly needed approximately $11m per month to meet its recurrent expenditure needs alone:

"We need to know how acute Government's situation is. Nobody is telling us anything and we are being forced to operate in the dark. How are we to know what steps to take when we don't know what is expected from us,and we are not receiving any information on the situation? he asked.

Government Response

Port-of-Spain TRINIDAD GUARDIAN in English 12 Aug 86 p 3

[Text] MINISTRY of Finance officials have indicated that the Tobago House of Assembly has two fixed deposit accounts totalling $33 million.

Last week THA representatives held a Press conference to complain about Government's irregular funding, and problems being caused in the sister isle as a result.

Assembly officials said that although the THA has no cash reserves, its account does have some money which is used to pay outstanding cheques.

None of them could estimate the amount of money in the account.

Ministry of Finance officials have said that they are aware the Assembly has two fixed deposit accounts at the NCB branch in the NIB Mall, Scarborough.

The deposits were made on January 3, 1986 and each contains $16 million.

According to the Ministry, interest on each is 8.25 percent and is approximately $6,046.99. Finance sources said that the total sum held by the Assembly is $33,332,580 million.

At last week's THA Press conference, Assemblyman Hochoy Charles challenged the Ministry of Finance to authorise it to use any extra money in its account for recurrent expenditure.

Decision of Ministry Claims

Port-of-Spain TRINIDAD GUARDIAN in English 14 Aug 86 p 18

[Article by Gail Alexander]

[Text]

MISCHIEF-MAKING!

This is how the Tobago House of Assembly has described claims by the Ministry of Finance that the THA has cash reserves.

Head of the THA's Finance Division, Assemblyman Hochoy Charles, yesterday denounced last week's claim by Finance Ministry sources that the Assembly has two fixed deposits of $16 million each, plus interest of $6,046 at the NCB branch in Tobago.

The Ministry's statement came shortly after the Assembly helda Press conference in Port-of-Spain complaining of irregular funding by Government and ensuing problems.

Contacted on Tuesday, Mr Charles offered an explanation of certain monies in the Assembly's hands, but first had this to say:

"Such a claim is pure mischief making. If they can prove it why doesn't the Minister make a statement on the matter. How can we respond to a statement when we don't know who is offering the information."

Mr Charles explained that the Assembly is trying to maximise use of the money it receives from Government by utilising two Fixed Call Deposits to earn interest for them:

Not Left Idle

"Funds allocated for certain projects are not always entirely exhausted at once. Sometimes the money will be there until the job is complete. Instead of leaving it idle, we sometimes place it in a Seven-Day Call Deposit and let it earn interest which can be used to tide us over difficult times.

When payment on a job is due, the deposit is broken.

Mr Charles said he could not estimate how much money is in the two Fixed Call Deposits the Assembly has, apart from its main THA account:

"It is hard to say because it varies according to how payment for jobs are done; it could be $10 million, it could be $25 million. Just last week we had to break one of the deposits to pay wages. But I am pretty certain this is what the Ministry is referring to when they say we have cash reserves."

He stressed that such monies could not be regarded as cash reserves since they are necessary to pay outstanding cheques at some point.

The Assemblyman added:

"Telling people how much money we have in the bank is out of the question, only the Auditor General can say what our position is.

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CSO: 3298/538

TRADE WITH CARICOM REVIEWED, REGULATIONS EASED

Central Bank Action

Port-of-Spain TRINIDAD GUARDIAN in English 12 Aug 86 p 3

[Text] A more relaxed foreign exchange arrangement allowing for easier importation of goods from Caricom sources is to be introduced by the Central Bank from September 1.

Under the special regime, approval will be generally granted for the full amount of EC-0 applications for imports from Caricom. But overall foreign exchange budgeting proceedings will remain in force for other countries.

Previously the EC-0 system did not discriminate on sources of imports, but this new arrangement is expected to put trade between this country and other Caricom states on a free flow basis.

Details of the new system were disclosed yesterday when Industry and Commerce Minister, Senator Wendell Mottley, held a media briefing to give details of a new trade arrangement between this country and Barbados.

New Procedures

The measure was first announced during talks between the Minister and a delegation headed by his Barbados counterpart, Trade Minister Evelyn Greaves, in Port-of-Spain last week.

The new procedures are as follows:

--Local importers applying on Form EC-0 will be required to specify only one Caricom country in respect of imports from the region.

--Applications must be specified in the currency of the relevant Caricom country and remittances on forms EC-1 must be specified and made only in the currency of the relevant Caricom country.

--Approval will generally be granted for the full amount of the EC-0 applications in respect of importation from Caricom countries of goods which meet the rules of origin criteria under the Caricom Treaty.

--Where licence is required approval will be limited by the value stated on the licence.

Senator Mottley told the briefing that discussions with a Barbadian trade delegation in Port-of-Spain last Friday had been "very amicable" and agreement was reached on a number of new trade arrangements.

Representatives from the two countries agreed that there will be free trade in processed meat products and that Barbados will import pork meat from Trinidad and Tobago and other Caricom countries in preference to non-regional sources.

In addition, there will be continuous exchange of information between the two countries on the availability of pork meat for processing.

This country will allow into its market carrots, beetroots, onions and peanuts from Barbados and proper documentation and measures will be observed in keeping with existing regulations for trade in agricultural produce.

Reciprocal Access

There was also agreement on a level of exports of certain categories of garments from Barbados, but some regard was paid to the existing protective regime for the revitalisation of the local industry which expires in October, 1986.

Barbados will continue to grant reciprocal access to garments from this country and steps will be taken to harmonise protective regimes in the two countries against extra regional imports.

There will be limtied soft drink exports from Trinidad and Tobago to Barbados under the agreement.

Both countries have agreed to "remove all impediments to trade" and have pinpointed trading difficulties caused by licensing and foreign exchange systems, declining purchasing power and abuse of rules of origin.

Acceptance of Commitments

Port-of-Spain TRINIDAD GUARDIAN in English 14 Aug 86 p 4

[Text] **BRIDGETOWN, Aug 13, Cana** — TRINIDAD and Tobago has every intention of honouring its commitment to granting import licences and foreign exchange for the purchase of agricultural produce from Barbados and other Caribbean Community (Caricom) States, according to visiting Agriculture Minister Kamaluddin Mohammed.

Mr Mohammed said Trinidad and Tobago was prepared to stop importing from outside the region certain food crops — including peanuts, carrots and onions — which Barbados produced.

However, the importation of tomatoes would be controlled.

"In the case of tomatoes, we will control it seasonally. When we are short we will take. When we are not short we will tell Barbados we have a glut and can't take,' Mr Mohammed told Cana.

He said Trinidad and Tobago was also prepared to buy substantially more vegetables from some of the Eastern Caribbean islands like St Vincent and the Grenadines and Grenada.

Special Regime

Mr Mohammed said that while Trinidad and Tobago had promised to free up the licensing system, there was still a need to manage the country's foreign exchange.

"What we have explained is that so long as the foreign exchange is available, so long as the market does not have a tight situation in relation to local commodities, we will not invoke a Caricom agreement," he said.

Trinidad and Tobago recently gave a Barbados trade mission headed by Trade and Commerce Minister Evelyn Greaves the assurance that it would allow entry of more Barbadian exports of vegetables, meat products and garments.

September 1 was the date set for the harmonising of the foreign exchange and licensing system.

The Trinidad and Tobago Central Bank announced this week that it would establish a special regime for Caricom exports within its ECO (foreign exchange application) system.

Barbadian and other Caricom manufacturers have repeatedly said they were frustrated and their businesses in trouble because of the unavailability of foreign exchange from Port-of-Spain despite previous assurances about a harmonisation of the licensing and foreign exchange system.

The Trinidad Agriculture Minister said people should bear in mind that oil in the twin-island Republic which used to be sold at US $28 a barrel, bringing in foreign exchange, was now fetching only US $8 to US $10 a barrel.

More Academic

"The foreign exchange will have to be reserved for the more essential things which will have to be determined by the Government, therefore some kind of control is necessary. To say that we must abandon licences and exchange control is to say that we must commit suicide," Mr Mohammed asserted.

Trinidad and Tobago's domestic exports to Barbados were valued at TT$66.5 million for the first six months of this year, compared to just over TT$60 million for the same period last year.

Mr Mohammed said Trinidad and Tobago wanted the regional Food and Nutrition Strategy, aimed largely at reducing the Caribbean's massive food import bill, to be revised.

He described the Caricom plan to make the region self-sufficient in agricultural produce as more academic than practical.

He said a lot of paper work was done, but there were serious problems implementing the proposals outlined in the strategy.

"Things which they said we could not produce in Trinidad we are now producing," Mr Mohammed commented.

He said Trinidad and Tobago had managed to substantially reduce its food import bill over the last two to three years from $928 million to $761 million.

Increase in Exports

Port-of-Spain DAILY EXPRESS in English 15 Aug 86 p 6

[Text]

TRINIDAD and Tobago's exports to Caricom countries in the first six months of 1986 were approximately $10 million more than in 1985.

This was revealed through a report from the Industry, Commerce and Consumer Affairs Ministry comparing Trinidad and Tobago exports between January to June, 1985 to the same period for 1986.

The exact figures reflecting this increase were $253,870,000 to $263,870,000. The largest increase took place in exports to Jamaica which moved from $26,759,420 last year to $52,419,874. Exports to Barbados increased by five and a half million and to Grenada by six and a half million. Exports to Dominica doubled and trebled to Anguillia.

Conversely, exports to Guyana decreased from $80,685,243 between January and June last year to $53,969,894 this year. Domestic exports to Antigua also declined by approximately $9 million and to St Lucia by $5 million. Exports to Belize halved in that period. Exports to the Bahamas decreased by $1,520,617.

An exact breakdown of Trinidad and Tobago total trade with Barbados was also given from the years 1974 to 1985. It showed that the total trade with Barbados increased steadily within the period starting at $53,127.1 moving to $202,077.3 by 1985.

But the import/export scales have been very unbalanced. Exports for most of the years in this period far exceeded imports. Last year, exports valued $151,346.4 while imports were $50,730.9. For the first six months of this year, exports were $66,346.4 while imports were $16.877.7.

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CSO: 3298/538

NEW LAWS ON TERRITORIAL LIMITS CITED, SPARK OBJECTIONS

Oil Spill Issue

Port-of-Spain DAILY EXPRESS in English 18 Aug 86 p 3

[Text] **IT WAS Energy and National Resources Minister, Patrick Manning's, turn to face Opposition fire as the question of the oil spill in the Gulf of Paria was raised in the House of Representatives last Friday.**

And during the verbal exchange between himself and Kelvin Ramnath, Member for Couva North, on the issue, Manning revealed he would be able to identify the source of the oil spill sometime this week.

The oil spill, which took place three weeks ago, was brought into the debate on the Exclusive Economic Zone Bill, the Continental Shelf (Amendment) Bill and the Territorial Sea (Amendment) Bill.

Ramnath charged oil companies with flaunting the regulations in respect of their operations. Since the multinationals were gone, he stated, it had to be State companies exercising this kind of neglect.

The oil spills were "major" he argued, adding that in one case it was as much as 2,000 barrels of crude oil. He wondered how the Energy Minister, who professed to be in contact with all the companies, was not yet in a position to say, which company was responsible for, "something which occurred three weeks ago."

He argued that a statement in Parliament should have been made by either the Energy Minister or the State Enterprises Minister on the oil spill. Could it be, he wondered aloud, that civil servants in the oil companies (the "impartial" chairman of the Board of National Petroleum, for example), were hiding things from the Ministers?

Manning argued that steps to curb the oil spill were being taken. He referred too to the oil spill plan, which involved the supplying of cleaning chemicals by the Ministry for those fishermen whose boats had been affected by the spill.

He argued that the only way the source could be determined was through an analysis of petroleum samples. This was at present being conducted, he said.

Trevor Sudama, Member for Oropouche, believed he should not spend his time attacking government's inefficiencies ("the people already know them"). He opted instead for a detailed account of the National Alliance for Reconstruction's plan for exploiting the marine resources. The NAR government, he said, would put in place the marine research facilities as well as the physical facilities to aid in the development of marine reserves. The party would also set up an inventory to determine the allowable catch, a significant mechanism for protecting the economic zone, he added.

'Coverup' Charge

Port-of-Spain DAILY EXPRESS in English 20 Aug 86 p 44

[Text]

ST PATRICK County Councillor Basdeo Manmohansingh has accused the Ministry of Energy and Natural Resources of covering up the source of the oil spill in the Gulf of Paria to delay compensation for fishermen.

The *Express* learnt that claims made to the company by 120 fishermen amount to almost $360,000. Manmohansingh said: "The same thing happened when fire struck killing 14 men at Trintoc Pointe-a-Pierre some months ago."

Councillor Manmohansingh, local representative for Cedros, expressed strong dissatisfaction with the Energy Minister, Patrick Manning, for trying to browbeat the fishermen who are still grounded because of the spill which occurred almost one month ago.

Referring to an article in Monday's *Express*, about Manning's response in Parliament, about steps to curb the spill, Manmohansingh said, "the whole thing about cleaning up the beach was a sham. The Ministry in collaboration with an oil company sent a backhoe and a crew to Fullerton for a couple days to clean up the beach, but other beaches are affected just the same. Seabathers dare not venture into beaches at Bonas, St Marie, Granville and surrounding areas. Fullerton fishermen are still grounded because of the heavy tar-like substance lining the shores."

Fishermen have sent a claim to the Cedros Fishing Cooperative claiming damages to boats nets and anchor ropes. They have since been sitting idle awaiting word and action from the Ministry of Energy and Natural Resources.

Opposition Skepticism

Port-of-Spain DAILY EXPRESS in English 19 Aug 86 p 3

[Article by David Renwick]

[Text] IT WASN'T the surveillance of the proposed 200-mile exclusive economic zone being created by the package of new laws now under discussion in the House of Representatives that worried Opposition speakers in the debate yesterday so much as Trinidad and Tobago's ability to benefit economically from this major extension of its resource base.

Winston Dookeran (Chaguanas) had no doubt the country was "unprepared" for the opportunities likely to be opened up and that little "pre-planning" had taken place. The Government should have set-up a "coast line and sea bed development authority" to "determine the extent of the resources available."

In the absence of such an organisation, "the real potential" of the exclusive economic zone, the archipelagic state and the continental shelf were unlikely to be realised.

Pamela Nicholson (Tobago East) was equally skeptical, pointing out that Barbadian and other fishermen had already extracted substantial quantities of fish from the area covered by the proposed zone. It was a rather belated move now to try to "hurry this legislation along" - simply because "Trinidad and Tobago is now working with the Barbadians to try and finalise an agreement."

Dr Cuthbert Joseph, Public Utilities and National Transportation Minister, stoutly defended what had been criticised as the Government's slow pace in bringing the bills.

Fishing Regulations

Port-of-Spain TRINIDAD GUARDIAN in English 20 Aug 86 p 3

[Text]

CABINET has agreed to regulations relating to fishing and trawling in the coastal waters around Trinidad and Tobago.

This was revealed by Rep Kamaluddin Mohammed , Minister of Agriculture Lands and Food Production, in the House of Representatives on Monday night during debate on three Bills dealing with the law of the sea and the territorial waters of the country.

The regulations allow for bottom trawling not to be allowed in varying mileages outside the coastline around the country to control and preserve the fishing resources.

Mr Mohammed explained that the regulations were drawn up following discussions with persons and organisations involved in fishing. The Bills before the House which were passed on Monday night were to declare Trinidad and Tobago an Archipelagic State and define an exclusive economic zone to implemenmt provisions of the United Nations Convention on the Law of the sea. One of the Bills amended the Territorial Sea Act while the other amended the Continental Shelf Act.

In winding up debate on the Bill, Rep Errol Mahabir, Ministrer of External Affairs, said in replying to Opposition comments that delay in enacting the legislation was because the Government could not propose implementing legislation before in respect of the treaty, which it only ratified on April 25 this year.

Clear Principles

He said Trinidad and Tobago had always based its international relations on clear principles of international law and the legislation and its timing was an example of "our adherence to the international rule of law in international affairs."

Relating to Trinidad and Tobago/Venezeula relations, Mr Mahabir said that bilateral discussions were going on between the two countries.

He said that discussions with Venezuela had gone reasonably well and the talks were in respect of partial delimitation. "We will continue our bilateral discussions with Vewnezuela," he assured, adding that the country also had to have bilateral agreements with other countries.

Relating to fishing, Mr Mahabir said that fishermen had indicated that once the fishing permits were issued they did not have any problems while engaging in shrimping activities within the special fishing areas within Vewnezuelan waters. However they had expressed concern, he said, that they were not able with the fullest confidence to engage in fishing activities in the area south of Trinidad and North of Venezuela. The matter was raised at the Trinidad and Tobago/Venezuela Fishing Commission meeting in July, and the Venezuelans had assured that the Venezuelan Coast Guard authorities were made aware of the terms of the Fishing agreement between the two countries.

Referring to complaints that Barbados fishermen were fishing in waters off Tobago, he said that Cabinet had taken cognisance of the matter and a team was reviewing all aspects of the matter before holding talks with the Barbadian Government on the matter.

Resource Assessment

Commenting on implementation of the legislation and enforcement of the provisions, he said that the Bill will confer the necessary powers on the law enforcement agencies not only in respect of the territorial sea, but also in respect of the archipelagic waters and the 200 nautical mile exclusive economic zone.

The Minister said that he felt that without any formal structure being put in place, it will be possible for Trinidad and Tobago fishermen as well as sports fishermen to bring to the attention of the Coast Guard the presence of foreign fishing craft operating in particular areas on a regular basis. It will help the Coast Guard in patrolling and protecting the national patrimony.

Minister Mahabir said that the implementation of the conservation and management aspects of the Bill will require resource assessments to be undertaken. Already in the pipeline, he said is a Trinidad and Tobago/FAO resource assessment project. The Institute of Marine Affairs can play a vital role, he said.

Mr Mahabir noted that the Bill complemented the existing powers of the Coast Guard.

Comment on Shortcomings

Port-of-Spain TRINIDAD GUARDIAN in English 20 Aug 86 p 8

[Text] In its last session, the House of Representatives dutifully passed the Archipelagic Waters and Exclusive Economic Zone Act 1986 defining our country's offshore economic zone.

That was a long overdue move, and no one can doubt that the country needed the legal backing for assuming control of all mineral and fishing rights off our shores.

But will there be any difference once we have the law on the books? Will the trawlers stop damaging the valuable spawning grounds off our coasts? Will there be any greater control of smuggling of drugs, arms, whisky and illegal immigrants from neighbouring countries?

The legislation does not deal specifically with such matters, but it should have come when the relevant authorities were able to enforce the law.

We have enough laws but not enough enforcement. We cannot protect the public adequately from reckless drivers, from the depredations of criminals or from vagrants in the towns. We cannot protect our environment from pollution, our wildlife from poachers, our rivers from deliberate dumping of rubbish. Yet we have laws enough for all of these.

Protecting marine resources and our coastline needs a properly functioning Coast Guard, and that is something we cannot claim.

Late last year Guardian writer George Harvey commented that "Coast Guard boats scarcely leave port on patrol for various reasons. Local fishermen complain regularly of not seeing their navy around while braving the waters and dodging neighbourly Venezuelan Coast Guards. Coast Guard boats remain at home immobilised for lack of parts."

He also noted that despite the known drug connection with Venezuela, our Coast Guard was not making drug seizures at sea, and our shores were a virtual open house for entry of the good, the bad and the ungodly.

It was a harsh judgment, and there may have been some improvements since then. But we cannot say that our Coast Guard now has a position of regularly patrolling our coast line, and keeping all lawbreakers and evil doers wary and uneasy.

Until the navy gets the right equipment, the necessary maintenance system, the parts, and the will to police our shores, laws such as those passed on Friday and regulations approved by the Minister of Agriculture, Lands and Fisheries for offshore control will remain dead letters.

Details of Legislation

Port of Spain DAILY EXPRESS in English 22 Aug 86 pp 20-21

[Text] **THE Archipelagic Waters and Exclusive Economic Zone Act, 1986, which would give Trinidad and Tobago control of more of the resources in its surrounding waters is being debated in Parliament.**

The new Bill proposes, as its major objective, to implement certain provisions of the United Nations Convention on the Law of the Sea, 1982, which attempts to regulate the competing and potentially conflicting uses of the Sea and to divide its resources in accordance with modern principles of international justice.

Trinidad and Tobago which was among the first states to sign the U.N. Convention, in 1982, ratified it on April 25, 1986. By December 9, 1984, closing date for signatures, 159 states, the overwhelming majority of the international community, had signed the Convention.

As of May 5, 1985, some 26 states had ratified the Convention, which will come into force one year after 60 states have ratified the Treaty, indicating their consent to be bound by it.

It is this Convention which makes provision for the regime of an archipelgic state and the Exclusive Economic Zone (EEZ).

When the Act now before Parliament becomes law, Trinidad and Tobago would have been written into the statute books as an archipelgic state. The territory which according to one estimate comprises 23 islands of various sizes, qualifies as an archipelago under the terms of the Convention. An archipelago, states the UN document, "means a group of islands, including parts of islands, interconnecting waters and other natural features which are so clearly interrelated that such islands, waters and other natural features from an intrinsic geographical, economic and political entity, or which historically have been regarded as such."

Under the regime of the archipelagic state, Trinidad and Tobago may draw straight baselines joining the outermost islands, provided that within such baselines are included the main islands and an area in which the ratio of the area of water to the area of land is between 1 to 1 and 9 to 1. Trinidad and Tobago will enjoy sovereignty over the waters enclosed by the archipelagic baselines, regardless of their depth or distance. The country's sovereignty also extend to the air space over the archipelagic waters and to the seabed, subsoil and their resources.

An important feature of the archipelagic state regime is that the several maritime zones — the EEZ, the territorial sea, the continental shelf and the contiguous zone — are to be measures from the archipelagic baselines and not from the low water-line, as would normally be the case, making it central to other maritime regimes.

In the EEZ, which stretches to a maximum of 200 nautical miles from the archipelagic baselines, the state exercises, not sovereignty, but sovereign rights for exploring and exploiting, conserving and managing the natural resources, living or non-living of the water column, seabed and subsoil. The EEZ regime will also afford the country jurisdiction over the establishment and use of artificial islands, installations and structures and marine scientific research.

A major implication of the EEZ, in as much as it allocates extensive areas of marine space to the jurisdiction of coastal states, is that areas which were formerly high seas and therefore legally open to all states are now under the control of individual states. Consequently, access to areas where fishermen of neighbouring territories habitually fished will now be denied except to the extent that appropriate agreements have been negotiated with the respective coastal states. The Trinidad and Tobago/Venezuela Fishing Agreement signed on November 26, 1985 is one such example.

Laws relating to two other zones — the territorial sea and the continental shelf have already been promulgated by the Trinidad and Tobago Parliament. Two Amendment Bills, however, which together with the Archipelagic Waters and Exclusive Economic Zone Act, 1986, form a package of Bills on the law of the sea are also before the House. The Territorial Sea (Amendment) Act, 1986, has become necessary with the country's assumption of archipelagic status and the Continental Self (Amendment) Act, 1986 redefines the shelf.

The territorial sea extends the country's sovereignty beyond the landmass and archipelagic waters to a distance of 12 nautical miles from the archipelagic baselines, giving the state sovereignty over the air space, seabed and subsoil as well as the water column.

A major difficulty associated with the EEZ, and indeed with the territorial sea, in the Caribbean context where only meagre distance intervene between neighbouring territories, relates to the delimitation of national boundaries. Trinidad is, at its nearest point, some nine miles from Venezuela. Grenada is some 90 miles from Trinidad.

In instances such as these, the Convention states that delimitation of boundaries should be effected either by agreement or on the basis of international law to achieve an equitable solution. With regard to the territorial sea, the Convention supports the principle of a medium line (a dividing line joining points equidistance from opposing or adjacent coasts) as one method of arriving at a just decision.

The Continental Shelf regime predates the EEZ regime and relates to the submarine areas covered by the EEZ. Like the EEZ, it gives the state sovereign rights over the seabed and subsoil to a distance of 200 miles from the baselines from which the breadth of the territorial sea is measured. It, however, does not affect the legal status of the water column which without an EEZ will be high seas. The Continental Shelf regime carries the additional provision that where the outer edge of the continental margin (the submerged prolongation of the country's landmass) extends beyond 200 miles, the sovereign rights of the country may extend even further.

The contiguous zone which adjoins the territorial sea extends to a maximum of 24 nautical miles from the baselines from which the breadth of the territorial sea is measured. In this zone the state may exercise the control necessary to prevent contravention of its laws relating to immigration, customs, fiscal and sanitary matters and may punish vessels which have committed breaches of those laws while within national territory.

With the ratification of the U.N. Convention and the introduction of this package of bills in Parliament, Trinidad and Tobago has shown its resolve to control its marine resources and has played its part in the progressive development and codification of international maritime law.

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CSO: 3298/538

HINDU COMMUNITY LEADER MAKES APPEAL FOR UNITY

Port-of-Spain DAILY EXPRESS in English 18 Aug 86 p 26

[Text] **THE leader of the major section of the Hindu community has called for unity among all Hindu groups in the country.**

Dharma Acharya Pandit Krishna, head of the Pandits' Parishad said he was supporting several calls for unity which had been made from various Hindu leaders. It is important, he said that Hindus unite because: " No one but the Hindu will protect Hindu values , and it is the Hindu who will nourish and sustain the Hindu ethos."

He added: "A unified presentation of Hindu perceptions and aspirations to the establishment and to our plural structured society is therefore a natural corollary. It is only then that any serious and intelligent consideration will be given to the Hindu presence.

The Dharma Acharya made these comments when he spoke at a Vishnu Yagna at Clarke Rochard Road, Penal recently.

Pundit Krishna, Dharma Acharya of the Sanatan Dharma Maha Sabha since February of this year, selected the topic of Hindu unity for his address at the inauguration of the Yagna.

He said that the Hindu youths of today are more aware of their Hindu heritage and are addressing themselves to "sustenance, pride, dignity, togetherness and security."

He added, "We need Hindu unity to arrest the direction of our society and its value systems ... At present, individuals have less and less care for the welfare and prosperity of the other. Hindu unity is required to herald a system of values appropriate to the development of our national consciousness. Hinduism has those values."

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BUSINESSES FAIL TO RESPOND TO MOVES BY CENTRAL BANK

Port-of-Spain DAILY EXPRESS in English 15 Aug 86 p 6

[Text]

ALMOST two months after the Central Bank announced liquidity-easing measures to bring life back into the country's business activity, the market continues to fail to respond.

This comment comes from the Stock Market and Economic Review compiled by Clouden & Clouden Investment Ltd. in its quarterly publication released yesterday.

Said the review: "Although these measures by the Central Bank were introduced primarily to ease liquidity and reduce interest rates, the market does not appear to recognise or discount them as yet. This slow response can be attributed to the lag time associated with such policy or possibly the added caution on the part of borrowers and lenders."

Other points noted by the report were:

- The failure of the market to develop any momentum out of its bearish posture is likely to continue as many of Clouden & Clouden Investments technical indicators show near-term market weakness.
- There is a prevailing mood of disillusionment and cautious attitude towards investment due to concerns over safety and liquidity in the financial market. These factors were highlighted even further by the sharp reductions in the banks' after tax profits and dividends during the first six months of their present fiscal year plus the consequent 15% drop in the Banking Sector Index to 35.85 for the past year.
- Notwithstanding the fall in short-to-medium term interest rates, many of the banks still show significant depreciation in their investment portfolios and this could place additional downward pressures on their stock-prices.
- The favourable trade balance of $5763 million for the period January to May this year was not reflected in the Trading Sector Index which slipped another 33 per cent to 204 in the year between June 1985 and 1986.
- Agostini's Ltd was the only company in the trading sector to show consistent price increases- the result mainly of its balance sheet, market position and corporate strategy.

Clouden & Clouden recommendations to investors: carefully reassess stop-loss points and where necessary, raise it as much as possible to protect against another downdraft.

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REPORT ON PUBLIC DEBT SHOWS 1-YEAR $538 MILLION INCREASE

Port-of-Spain DAILY EXPRESS in English 1 Aug 86 p 3

[Text] TRINIDAD and Tobago's public debt at December 31, 1985, was $3.6 billion, according to the report of the Auditor-General laid in Parliament yesterday. This is an increase of $537.9 million over a period of one year.

Of the total amount owed, $1.3 billion is owed locally while $2.3 billion is owed in external loans.

Under the heading *Loans from Revenue*, the report says new loans totalling $872.1 million were made to a number of state-owned bodies, including the Port Authority, the Trinidad and Tobago Electricity Commission (TTEC), and BWIA. A loan of $120.6 million went to the Port Authority, $44.1 million went to TTEC, and $37.9 million to BWIA.

Orange Grove National Co Ltd borrowed $17 million, Caroni (1975) Ltd $197.8 million, the Public Transport Service Commission (PTSC) $162.7 million, and the Water and Sewerage Authority (WASA) $233.8 million.

The National Energy Corporation (NEC) borrowed $4.6 million, according to the Auditor's Report, the Iron and Steel Company of Trinidad and Tobago (ISCOTT) $50 million, and the Chaguaramas Development Authority $3 million. St Anthony's College got $440,000 and $46,275 was lent to students.

Still under the heading *Loans from Revenue*, the report says the total of loan balances outstanding at December 31, 1985, "is understated by $3.08 billion and should read $5.6 billion."

Later it notes: "Repayments were not made on 168 loans totalling $5.5 billion during the year."

The report states also that the Exchequer Account has been overdrawn by $938 million.

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CSO: 3298/538

GOVERNMENT SEES RECOVERY IN AGRICULTURAL SECTOR

Port-of-Spain DAILY EXPRESS in English 13 Aug 86 p 12

[Text] THERE is evidence of recovery in Trinidad and Tobago's agricutural sector.

Agriculture, Lands and Food Production Minister, Kamaluddin Mohammed, made this statement in an address at the 19th Regional Conference of the Food and Agriculture Orgnaisation (FAO), Latin America and the Caribbean, taking place in Barbados.

"There is evidence of recovery in the agricultural sector, which commenced in 1984 having continued into 1985; both domestic and export agriculture grew stronger, the sector as a whole experiencing an increase in real GDP of 8.7 per cent," Mohammed said.

The Food Import Bill which in 1976 rose from $321.3 million to $928.8 million has declined, commencing in 1984 and into 1985 to a level of $762 million, he added.

He went on to say, "we speak with some pride of our achievements in self-sufficiency in relation to pork and poultry supplies, but there is a real element of concern in all this."

Mohammed explained that, "to a large extent, in the region we are 'assembly plants' for these products since the imports or cereals and grains, which include rice, maize and feed ingredients for the livestock industry, have averaged in recent years at least 95 per cent or our total domestic requirements."

This, he said, indicated that the area of self-sufficiency were founded on a dangerously insecure level of import dependency. Domestic capability for meat averages 30 per cent and for milk 10 per cent, Mohammed said.

The Government, failed to introduce new policies to coincide with the social and economic changes, and having kept the colonial organisational patterns, there were "structural deficiencies" within the agricultural sector, he said.

The FAO, at the request of the Government, assisted under the Technical Co-operation Programme and prepared in-depth analysis of the sector together with recommendations for strategic intervention in both the long-term and short-term.

"We are able to report success in projects involving farm management, artisanal fisheries and upper watershed management," Mohammed said.

"The level of success, especially in the establishment of institutional capability, has been such that Trinidad and Tobago has been assigned coordinating responsibility as a regional centre of excellence for the technical cooperation networks in artisanal fisheries and upper watershed management."

Outlining priority areas within the sector for the development in the near future Mohammed focused on: aquaculture, dairy and livestock production, with as well as increased production of small ruminants.

The Government has also indicated that FAO's expertise on embryo transfer technology would also be required.

/12828
CSO: 3298/538

FUTURE OF SUGAR INDUSTRY LIES IN CANE FARMING

Port-of-Spain DAILY EXPRESS in English 26 Jul 86 p 5

[Text] THE future of the sugar industry would depend more and more on the cane farming sector.

So said Russell Wotherspoon, general manager of Caroni (1975) Ltd, at the inter-religious thanksgiving for the 1986 crop and a memorial service for the late S. Norman Girwar, former president of the Trinidad Islandwide Cane Farmers Association, Friday night.

Wotherspoon said he was glad that the Government decided to make 5,000 acres of land available to farmers since this would bring into cultivation an approximate minumum of 85,000 tonnes of cane.

"It is a fact that cane farmers are more cost efficient producers of cane than the company," he said.

He also said farmers played an important role in the diversification process being conducted by the company since they were "diversifying long before us and we have learnt, and are learning," from their experiences.

Wotherspoon spoke too of the current problems which Caribbean sugar faced on the international market, given the competition from beet sugar, the shrinking US quota and the monopoly of the Tate and Lyle refineries.

He said every country was scaling down the size of its sugar industry to satisfy its guaranteed market, "since any production over the guarantee only subsides the developed world."

He said the sugar association has asked for concerted diplomatic efforts to deal with the question of the US quota and the Tate and Lyle situation.

But he stressed, however, the final market and size of the Trinidad and Tobago sugar industry, it was a fact Caroni would have to rely on the cane farmers for its supply.

Wotherspoon noted that with respect to the present crop, that had it not been for the combined effects of the work-to-rule, and "malicious and unplanned" fires, Caroni would have produced for the first time since 1980, over 96,000 tonnes of sugar, or 4,000 tonnes less than its mandated 100,000 tonnes.

/12828
CSO: 3298/538

BRIEFS

UNION ACTION--The Communication Workers' Union this week rejected a proposal from the management of Catelli Primo Limited to reduce the work week of its hourly and monthly-paid staff to four days. The measure was to be instituted from last Monday, but union officials contended that it would result in a 20 per cent decrease in the take-home pay of the workers. Company officials said the reduced work week was necessary because a decrease in sales over an eight-month period and projected further decreases made it impossible to sustain current salary levels. But this claim was not accepted by CWU which blamed "inept sales management" for many of the financial problems facing the company. The union noted that for the first quarter of this year the company was on a drive to increase productivity by 25 per cent. Workers responded to the call only to be told that they had over-produced and the company's warehouses were filled with unsold stock. The union has threatened to take the matter to the Industrial Court if workers are forced to accept salary reductions. [Text][Port-of-Spain TRINIDAD GUARDIAN in English 15 Aug 86 p 3]/12828

TRINTOC PRODUCTION--TRINTOC's public relations department announced in its July bulletin that the average crude production on land for that month was 20,544 barrels per day and its marine production 12,069, making an overall daily production of 32,613 barrels. In a determined bid to reduce costs, Trintoc, in the presence of representatives from the Ministry of Energy and Natural Resources, commissioned a new lease automatic crude transfer unit which now takes crude oil from Brighton to Forest Reserve. The unit, commissioned last month was introduced because the company found that the old system in which the tank farm was used was "much too costly to maintain." Trintoc's production supervisor Wayne Mitchell started the new unit by pressing a button to send "fiscalised oil from Brighton to Forest Reserve. Trintoc also reported that the catalyst change-out was completed and the platformer unit of the Point Fortin Complex was returned to service on July 22. It was said that the unit was currently processing 2,100 tons per day of feedstock and that all three units in the complex were now on stream. Re-commissioning of the recycle compressor at the Complex "has increased the utilisation of hydrogen, thereby improving the capability of the units, especially the hydrogenerator," the company stated. [Text][Port-of-Spain TRINIDAD GUARDIAN in English 21 Aug 86 p 13] /12828

CSO: 3298/538

HAVANA REPORTS AMNESTY BILL GOES TO CONGRESS

PA281706 Havana International Service in Spanish 2300 GMT 28 Aug 86

[Report by Nelson Santos in Montevideo, Uruguay]

[Text] While the parliament is getting ready to discuss a government bill to grant amnesty to all the soldiers and policemen who have committed crimes against humanity during the past military dictatorship in Uruguay, a group of members of social organizations is holding a 5-day hunger strike to protest such a government measure. The hunger strike is being held under the slogan: Against Impunity, For Truth and Justice.

On 25 August, anniversary of the independence of Uruguay, an important group of relatives of people who disappeared during the dictatorship went to the site of the official festivities to present a letter addressed to President Julio Maria Sanguinetti. The relatives of men, women, and children who disappeared and who were presumably killed during the repression stated in their letter that the only thing they are demanding is the truth about what took place, and that justice prevail. The letter added: The amnesty for the crimes against humanity, for the crimes committed from positions of power, goes against the evolution of law in the civilized world. When this letter was delivered, the transportation and public works minister, who spoke on behalf of the government, said that the country needs to bury its past and that the people do not want the past but the future.

The legislative debate of the government-sponsored amnesty bill will begin this week in the 31-member Senate. The ruling Colorado Party has 14 senators, so the possibility of the bill's passage depends on the support of opposition sectors. This is not very likely, especially because the centrist opposition National Party, and the Broad Front, the leftist coalition, have their own bills that they may combine into a single one that instructs the civilian courts to investigate cases of assassination, disappearances, and tortures; and try those responsible.

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END

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22 SEPTEMBER 1986

Latin America Report

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ARGENTINE-BRAZILIAN INTEGRATION EFFORTS HIGHLIGHTED

Sarney on Motives

Buenos Aires SOMOS in Spanish 30 Jul 86 pp 12-16

[Interview with Brazilian President Jose Sarney by Ruben Correa in Brasilia on 24 Jul 86: "Rivalry Is Over"; passages enclosed in slantlines printed in italics]

[Text] On 15 March 1985, zero hour for the New Republic, the man who had staked almost everything on the reestablishment of Brazilian democracy, Tancredo Neves, fell into the hands of fate. From then until 29 April when Tancredo died, vice president Jose Sarney had the delicate responsibility of temporarily administering the country without closing off options to the president. When Tancredo died, Sarney inherited a political, economic, and social situation not to be envied by any politician. Sarney had commanded ARENA [Nationalist Renewal Alliance] for 1 year and the PDS [Social Democratic Party] for 4 years. These successive groups backed the military process for 20 years. He had to work first to win the reluctant confidence of his old adversaries in the PMDB [Brazilian Democratic Movement Party], eventually allied in the unstable AD [Democratic Alliance].

Alternately using caution and boldness to translate his political legitimacy into a broader representativeness in a country that, despite problems, continues to rapidly increase its wealth, Sarney touched up the Brazilian diplomatic tradition of recent decades. The president has said repeatedly: "We said that we were brothers to the countries of Latin America but always offhandedly." He stated that he is now practicing sincerity in his foreign policy toward his neighbors. The men who hold the reins at Itamaraty today indicate that the example of that turnabout is the new rapprochement with Argentina. The proof that "it is serious" is the "prudence" with which that business and political association is being implemented.

On Thursday, 24 July, 4 days before arriving in Buenos Aires, his mind was already on his second summit meeting in 8 months with Raul Alfonsin. Sarney met in Brasilia with two special correspondents from SOMOS in the midst of the euphoria and debate unleashed by a system of required savings that, in 3 years, aims to fulfill the dream of investing $100 billion. Part of those funds will be used to calm a social cauldron of 30 million /underprivileged/

who, according to Sarney himself, make Brazil--/which is the eighth largest economic power in the West based on GDP/--50th according to social indicators. In the interview, Sarney talked about the main challenges for his government and about the possible different--and joint--future for Argentina and Brazil.

[Question] How would you summarize the main political challenges that the Brazilian democracy must overcome to consolidate itself and spread the benefits of economic development?

[Answer] The government of the New Republic proposed /to change Brazil/ which means reform it, modernize it, reduce social and regional disparities, meet the needs for food, health, education, and housing, make the state machinery more efficient, invest in infrastructure, and make room for private producers in the rural sector, industry, and services.

The main political challenges include the need to /modernize the state/ in order to adapt it to administer the social programs. This is imperative in order to efficiently and austerely meet the demands imposed by the sociopolitical transformation which occurred because of the transition from authoritarianism to an open and participative society. The institutional and legal reorganization that the National Constitutional Assembly is preparing to undertake is, of course, another important challenge in the process of democratic normalization and in the preparation of bases for the Brazil of the future. Another very important matter is implementation of the agrarian reform.

[Question] How will the Cruzado Plan make it possible to insure economic stability and continued growth?

[Answer] The arrest of the inflationary process is a premise and prerequisite for economic growth. Monetary stability permits investment planning and budgeting. It makes it possible to maintain the financial capability of the public sector and, at the same time, redirect private resources from speculative activities to productive ones. Those effects are already being seen in the economy. With the measures that I have just announced to limit excessive consumption of luxury goods and stimulate savings, we will have a significant increase in resources for government and private investments. Therefore, growth with price stability will be insured.

[Question] How will your government resolve the pressures about the Cruzado Plan from the business sector, the unions, and the opposition parties?

[Answer] Open and responsible dialogue among the agents involved--capital, labor, the state--is the best way to resolve impasses and conflicts. Also popular support for the government measures counterbalances radicalism and the purely ideological positions which are committed to short-term group interests.

[Question] Why has your government placed so much emphasis on integration with Argentina?

[Answer] In the first place, it must be pointed out that Brazil and Argentina are not only neighbors, but the two largest and most economically complex countries in South America. Integration is, therefore, the natural road for two countries with those characteristics which have already solved their bilateral disputes. Therefore, the project of integration with Argentina responds to the manifest interest of both governments and is politically and economically important. Politically, it should help improve the good relations and consolidate the two democracies. Economically, it will expand the production scale of the two economies, generate more jobs, and reduce costs. All that will help increase the effectiveness of their respective plans for economic stabilization. I think we are experiencing the best period of relations between Brazil and Argentina, especially due to the happy coincidence of the restoration of democracy.

[Question] How will the political and economic benefits of that integration be distributed?

[Answer] In the integration that we propose, the political and economic benefits will interact. Therefore, to the extent that we intensify cooperation in countless areas like agriculture, industry, and strategic sectors or those that use modern technologies, we will be expanding the possibilities of economic and social development for Brazil and Argentina. This will also contribute to greater stability and continued improvement of the democratic system in both countries.

Trade Between Argentina and Brazil by Category of Product (1980-1984)
Argentine Exports, Imports

Exports	1980	1981	1982	1983	1984
Basic products	64.7%	40.8%	58.1%	44.6%	48.7%
Industrialized products	35.3%	59.2%	41.9%	55.4%	51.3%
Semimanufactured products	3.7%	6.9%	10.5%	21.7%	24.6%
Manufactured products	31.6%	52.3%	31.4%	33.7%	26.7%
Imports					
Basic Products	17.1%	17.9%	22.2%	17.4%	16.4%
Industrialized products	82.9%	82.0%	77.7%	82.6%	83.6%
Semimanufactured products	10.3%	7.8%	11.7%	10.2%	16.2%
Manufactured products	72.6%	74.2%	66.0%	72.4%	67.4%
Special transactions	0.0%	0.1%	0.1%	0.0%	0.0%

ource: CACEX [Foreign Trade Department], Bank of Brazil

[Question] How would you define the political objectives of integration: preparation for self-sufficiency or a way to end isolation and not lose the race for the future?

[Answer] In today's world, and especially in the world of the future, there is less and less room for self-sufficiency. At the same time, complete domination of certain modern technologies and their application to production will become indispensable if a nation aspires to true independence. The combined capabilities of Argentines and Brazilians will facilitate development and domination of those technologies. The process of integration between Argentina and Brazil will also unquestionably reduce their vulnerability and dependence on the rest of the world. This establishes the conditions to acquire greater autonomy in decision-making facing possible unfavorable external situations. Within this context, integration is a very important element in order /not to lose the race for the future/.

[Question] Do you think that after Argentine-Brazilian complementation, the two countries will be in the position to effectively agree on large technological development projects like the Eureka Plan and the Star Wars? What does that possibility depend on?

[Answer] The attempted program of integration and econnmic complementation responds, first of all, to the need we feel to expand our capacity for self-sustained economic and social development oriented toward the well-being of our peoples. I am sure that this program will contribute to the consolidation of peace, democracy, security, and development in Latin America. We have not yet considered agreement on projects which have implications and commitments outside of our region.

[Question] Doesn't the political determination of the two presidents to produce integration run the risk of becoming only political determination? How can integration be completed?

[Answer] What we have been doing since the Iguazu agreements and now with the Buenos Aires agreements is looking for mechanisms so that our countries can carry out their political determination. Brazil does not have any demand, just the desire for cooperation and greater integration. Argentina is a country that is in an exceptional position in Latin America today. The friendship and cooperation between our two countries are necessary because of the advanced stage of our economies. As neighbors--and this can be said not only about Argentina but the rest of Latin America--Brazil has always had a policy of a lot of talk. We were brothers but always offhandedly. Now we are trying to be real brothers. Therefore, our priority is our relationship with Latin America. We want to change from words to deeds.

[Question] Given that political determination which should become concrete in economic deeds and given the similarity of the two plans being carried out--the Austral Plan and the Cruzado Plan--how will complementation affect the success of the two economic policies?

[Answer] Inflation has always been the enemy of the institutions in Latin America because it has always hurt the best hopes for democratization. It has almost always exacerbated social problems. The Brazilian and Argentine experiences with this phenomenon are similar. Inflation is perverse because it affects the working classes, the lower classes, more. This common experience makes the Austral Plan and the Cruzado Plan coincide in the fight against inflation. Inflation always brings problems for growth and there is no solution without economic growth.

[Question] What problems do you see in making integration concrete? Wouldn't one of those problems be the unequal power of the two countries: Brazil among the top 8 countries and Argentina among the top 40?

[Answer] The fact that the economies of Argentina and Brazil are not homogeneous favors integration instead of hindering it. It permits both countries to benefit from the process from the very beginning. Another important aspect is that we are looking at integration within a context of growth for both economies which will expand opportunities for the economic agents of both countries.

[Question] Isn't it possible that one country will benefit from integration more than the other? Does it seem to you that the existence of democracy is enough to overcome the obstacles?

[Answer] As I said, the essential requirements for economic integration are the relative homogeneity and complementariness of the partners. Those characteristics exist in Brazil and Argentina. The fact that we have different dimensions is unimportant compared to those characteristics and will become even more unimportant as we create an even broader common economic program by promoting integration. One of the basic premises of the program of cooperation and economic integration will be balance and symmetry--that is, the benefits that integration will bring must be balanced and symmetrical.

[Question] What steps must be taken after Buenos Aires in order to advance toward integration?

[Answer] The Buenos Aires agreements as well as the protocols that establish the mechanisms to carry out the programs are not just declarations of intent without concrete measures. On the contrary, they will have positive short-term effects like the vigorous expansion of bilateral trade on balanced terms. The program will be constantly evaluated by a high-level commission formed by four Argentine ministers and four Brazilian ones. It will propose measures to insure the continuity of the process of integration.

[Question] How can the traditional "competition" or "rivalry" between Brazil and Argentina be buried overnight by the integration that is beginning?

[Answer] What is called /traditional rivalry/ between Brazil and Argentina was buried some time ago. In the first place, it was buried due to the increasing awareness, almost consensual in the two countries today, that this rivalry must not be a rational objective for Brazil or Argentina because it is not advantageous but disadvantageous. Secondly, due to the growing closeness of the two peoples who today experience a historic moment of mutual identification because they are pledged to the consolidation of democracy as a way of life and government. Third, due to the final solution of the conflict over Itaipu in 1980 that, in my opinion, ended the era of rivalry and inaugurated the era of cooperation as shown by the many mechanisms of cooperation established since then. The integration that we now begin truly buries the spirit of rivalry that our peoples buried in practice some time ago.

Keys to Integration

Buenos Aires SOMOS in Spanish 30 Jul 86 pp 14-15

[Article by Ruben Correa; passages enclosed in slantlines printed in italics]

[Text] The day that the negotiators for Argentine and Brazilian integration finalized the technical arrangements, they publicly announced some of the principles that will govern this ambitious bilateral process:

Cooperation and exchange balanced quantitatively and qualitatively in the fields of agriculture, capital goods, payment systems, investments, general trade, energy, science and technology, and the formation of binational enterprises.

Effective integration will come about through business activities via the development of joint initiatives directed at the expanded market.

In order to be politically viable and economically efficient, integration and cooperation will be based on the growth of the two countries.

Integration will be supported by the dynamic balance of trade without either country specializing in any production or trade sector. Broad cooperation in the cultural, scientific, and technological fields--especially in elusive modern technology--will also be supported.

That is a very brief summary of the political framework for integration. Some details are missing that perhaps define the /keys/ to the decision made by President Alfonsin and President Sarney which goes beyond the idea of consolidating the Austral and Cruzado plans.

/Balance/, for example, is a permanent condition for the negotiators of the two countries. The objective is for Argentina and Brazil to grow /jointly/ but their starting points are far from equal. After talking with one of Sarney's closest advisers and with technicians in the economic sector in Brasilia, SOMOS was able to discern one aspect of Argentine-Brazilian relations that has not been explored: /Brazil's economic dynamism as a source of opportunity/. The idea is that, in addition to the political changes--the democratic government--"the strength of things" indicates that destructive mistrust of the alleged /hegemonic/ plans of a developed Brazil should be put aside.

The governments must create the conditions, the legal framework, for integration. However, the businessmen must make it concrete, exploit the opportunities created by the agreements.

Integration will be led by the private sector, preferably by /national enterprises/.

It must remain clear that integration does not just depend on the official negotiators. They make trade movement possible through the reduction of tariffs and the creation of possibilities for exports. However, trade movement, business, will have to be done by private enterprise.

Advancing beyond trade movement, the agreements open the way to complementation in specific sectors. /This is the newest aspect in the effort toward integration/.

The agreements will unquestionably contribute to the success of the economic plans of both countries. One of the threats to the Cruzado Plan has been the problem of meat and other foods which Brazil must import in large quantities. The pressure on the prices was mainly due to lack of supplies. One of the ideas that prevailed during these negotiations was to create some type of mechanism to help the two countries in times of difficulty. This does not mean having permanent stocks because this would be difficult, especially from the financial point of view. The mechanism would permit some flexibility in times of difficulty so that one country can look to the other for what is missing from its domestic production. The objective is to reinforce the similar economic strategies in the two countries.

Brazilian Participation in Total Argentine Foreign Trade
(percentage of total)

Year	Exports	Imports
1982	7.5%	12.9%
1983	4.6%	14.8%
1984	5.9%	18.1%

Argentine Participation in Total Brazilian Foreign Trade
(percentage of total)

Year	Exports	Imports
1983	3.16%	3.67%
1984	2.99%	2.32%

Sources: INDEC [National Institute of Statistics and Census] and the Central Bank of Brazil

Brazil has sectors that are concerned about the consequences of integration, too. They are the sectors in the southern states that produce goods that compete in the market with Argentine products but are not competitive in price.

The Brazilian industrial sectors still do not know exactly how the trade will affect them because, in the capital goods sector, it will be necessary to draw up a list to attach to the general agreement on integration in that field. That list must define the sectors, products, and type of industry like metalworking, textile, etc.

The Brazilians had already made up their list before Sarney's trip to Buenos Aires but not the Argentines. The list can only be included in the agreements if the industrialists agree.

A different aspect foretells the future best. In the past--for example, at the beginning of the 1970's--Brazil had a very high growth rate. That rate was negatively perceived by /other countries/. They were worried about the alleged danger of creating very serious imbalances or the existence of a hegemonic attempt in the region. Today there is a different attitude: it is that, actually, the Brazilian growth is /a source of opportunity/. Brazil today has 130 million inhabitants and, according to the most recent projections, will have a population of almost 180 million in 2000. Everything indicates that Brazil is on the verge of a new cycle of rapid growth due to the dropping oil prices and interest rates, the devaluation of the dollar, and, especially, the growth of its product in 1985: 8.2 percent. From now until the end of the 1990's, Brazil could grow at an average of 9 to 10 percent. In 2000, then, Brazil will have a market of 180 million people and a very great purchasing power, perhaps the sixth or seventh best market economy in the world.

There are not many markets in the world with those dimensions. The countries that have the advantage of proximity to the large markets can also benefit from that development. A country that grows like that not only has to export but import, generate trade /movement/. The Brazilian growth can be a source of opportunity to the extent that other countries find a market in Brazil that permits them to expand their production beyond their relatively small markets.

Doubts About Success

Buenos Aires SOMOS in Spanish 30 Jul 86 p 16

[Passages enclosed in slantlines printed in italics]

[Text] The Rome Treaty, the initial step toward the EEC, adopted a 10-percent reduction in import tariffs each year as the way to achieve a common market. Therefore, after 10 years, there were no more customs duties on the products that crossed the borders of the six founding countries. During those 10 years, the French, German, Italian, Belgian, Dutch, and Luxembourg businessmen had time to adapt to the changes that occurred automatically, annually, and inevitably.

The Montevideo Treaty that established the conditions to achieve a free trade zone in Latin America established two ways to lower import duties. Every year each country negotiated lists of products to reduce taxes on while the other countries reduced taxes on the same or other products that interested the first. Brazilian ashtrays in exchange for Argentine wine glasses, for example. These tariff reductions benefited the countries that did not participate in the negotiation which, of course, did not please the other countries. The second method was more important: every 3 years, products were negotiated that all member countries would exempt from customs. This was called the common list because, in each negotiation, products that made up 25 percent of the total trade in the area had to be included on this common list. At the end of the 12th year, it was assumed that all the products traded or, at least, the basic ones had been exempted as the treaty said.

The first common list was easy to agree on. Products heavily traded like wheat, bananas, coffee, oil, and copper were included. It was another matter to agree on the second 25 percent since it was necessary to include /protected/ products. The third 25 percent was never agreed on since it would have meant eliminating extensive protection which provoked angry and successful protests from the producers affected. This signed the death certificate for LAFTA.

That is not all. The European countries had similar levels of development with diversified economies and political organizations based on the same democratic systems. The businessmen could adapt themselves fairly easily to the demands of new nearby markets which were accessible via excellent systems of transportation and communication. The prospects whetted the appetite of the most ambitious. LAFTA's case was just the opposite. It involved monocultural countries which did not have a tradition of trading among themselves except for a few raw materials via deficient or nonexistent transportation.

Even worse, yesterday's conditions changed abruptly overnight: a devaluation, a new economic policy, a coup d'etat. After these sudden changes, the LAFTA agreements were not usually respected. Safeguard clauses, applicable to extraordinary cases, became common and new markets were lost.

Apparently, the agreement with Brazil will travel the tried and unsuccessful road of LAFTA. Every 6 months, expansion of the initial list of products exempted will be negotiated. It will be easy to reach the first agreements. But what about /when it is necessary to climb the fence around the exclusive grounds of the closed country clubs? Will there be enough political determination to ignore the complaints of those affected?/ Won't these be justified by the overvaluation of one or the other currencies? Will the Cruzado and Austral plans continue to function along parallel lines? Perhaps in 6 months but in 6 years? The Argentine industrialists of the capital goods industry, where the future common market will begin, already complain that steel sheets, pipes, aluminum, and the petrochemical products that are supplied cost 50 to 100 percent more than in Brazil. This is a symptom of overvaluation of the austral that is hard for our economic leadership to change because, among other reasons, the higher cost of dollars to pay the foreign public debt would unbalance what, in the best of cases, is now a precarious balanced budget.

Conclusion: skeptical vigilance.

7717
CSO: 3348/737

HONDURAS, EL SALVADOR SUBMIT DISPUTE TO ICJ

Tegucigalpa LA TRIBUNA in Spanish 10 Jun 86 p 9

[Text] Agreement between Honduras and El Salvador to abide by the decision of the International Court of Justice in the dispute between the two states over their territorial, insular and maritime borders, signed in the city of Esquipulas, Republic of Guatemala, on 24 May 1986.

Whereas: On 30 October 1980, in the city of Lima, Peru, the General Peace Treaty was signed which, inter alia, delineated the territorial border between the two republics in those sections where there was no dispute; and

Whereas: Within the time period set forth in Articles 19 and 31 of the General Peace Treaty of 30 October 1980, no direct agreement could be reached on the existing differences over the borders in the other territorial areas in question, or on the legal status of the islands and the maritime spaces;

The government of the Republic of Honduras and the government of the Republic of El Salvador have designated as their respective plenipotentiaries, for Honduras, Minister of Foreign Relations Carlos Lopez Contreras, and for El Salvador, Minister of Foreign Relations Rodolfo Antonio Castillo Claramount, who, having found their respective full powers in good and proper order, agree upon the following:

Article 1. Naming of a Panel

1. Pursuant to Article 34 of the General Peace Treaty signed on 30 October 1980, the parties submit the issues mentioned in Article 2 herein to a panel of the International Court of Justice, such panel to be made up of three members to be agreed upon by the parties. The parties shall convey their agreement on the panel jointly to the chief justice of the Court, such agreement being essential for the formation of the panel. The panel shall be constituted pursuant to the procedures established in the Court Bylaws and in this compromise.

2. In addition, two ad hoc judges especially named for this purpose, one by El Salvador and the other by Honduras, shall be members of the panel; they may be nationals of the parties.

Article 2. Object of Litigation

The parties request that the panel do the following:

1. Delineate the border in the zones or sections not described in Article 16 of the General Peace Treaty of 30 October 1980.

2. Determine the legal status of the islands and maritime spaces.

Article 3. Proceedings

1. The parties request that the panel authorize the following written proceedings:

a) A report submitted by each of the parties no later than 10 months after the Secretariat of the International Court of Justice has been notified of this compromise.

b) A counter-report submitted by each of the parties no later than 10 months after the date upon which the certified copy of the other party's report has been received.

c) A reply submitted by each of the parties no later than 10 months after the date upon which the certified copy of the other party's counter-report has been received.

d) The Court may authorize or require that the parties submit a rejoinder, if the parties agree in this regard or if the Court decides on its own initiative or at the request of one of the parties that this step is necessary.

2. The aforementioned documents in the written proceedings and their annexes, upon delivery to the secretary, shall not be conveyed to the other party until the secretary receives the corresponding document from that party.

3. The oral proceedings, the notification of the designation of the parties' respective agents, and any other procedural issues shall conform to the provisions of the Court's Bylaws and Regulations.

Article 4. Languages

The case shall be heard in the English and French languages, without distinction.

Article 5. Applicable Law

Within the framework of Article 38, Section 1 of the Bylaws of the International Court of Justice, the panel, in issuing its ruling, shall take into account the norms of international law that apply between the parties, including, where appropriate, the provisions of the General Peace Treaty.

Article 6. Execution of Judgment

1. The parties shall execute the panel's judgment in its entirety, and in complete good faith. For this purpose, the Special Demarcation Commission that was established under the Agreement of 11 February 1986 shall begin the demarcation of the border stipulated by the judgment no later than 3 months after the date of said judgment, and shall continue its work diligently until it has completed such task.

2. For this purpose, the rules on this matter established in the aformentioned agreement creating the Special Demarcation Commission shall apply.

Article 7. Effective Date and Recording

1. This compromise shall become effective on 1 October 1986, once the constitutional procedures required by each party have been completed.

2. It shall be recorded with the General Secretariat of the United Nations, pursuant to Article 102 of the United Nations Charter, jointly or by either of the parties. At the same time, it shall be made known to the Organization of American States.

Article 8. Notification

1. Pursuant to Article 40 of the Bylaws of the International Court of Justice, notification of this compromise shall be conveyed to the secretary of that Court by means of a joint note from the parties. Said notification shall take place before 31 December 1986.

2. If such notification does not take place as stipulated in the preceding paragraph, either of the parties may notify the Court secretary of this compromise within one month following the date specified in the preceding paragraph.

In witness whereof, the undersigned place their signatures on two copies of this compromise in the city of Esquipulas, Republic of Guatemala, this twenty-fourth day of May in the year nineteen hundred and eighty-six.

For the Government of Honduras
For the Government of El Salvador

Another Deadline for Marking the Border

Midnight today marks the deadline for going jointly before the International Court of Justice to resolve the border dispute between Honduras and El Salvador, in accordance with the General Peace Treaty that was signed on 30 October 1980 in Lima, Peru.

In this regard, Attorney Pedro Pineda Madrid, member of the Commission of High Territorial Studies, stated that during the period discussions were held and a compromise was signed at the summit of Central American leaders in Esquipulas, Guatemala, last 27 May.

The compromise signed by the foreign ministers of Honduras and El Salvador, Carlos Lopez Contreras and Rodolfo Castillo Claramount, commits the two countries to going jointly before the International Court of Justice.

After noting that this document specifies the dates for the joint appearance before the International Court, he explained that there is no advantage or disadvantage for either country, so each will present its case.

He emphasized that the General Peace Treaty signed in 1980 calls for the two parties to submit to the jurisdiction of the International Court of Justice in The Hague in order to clear up any misunderstandings. The compromise was discussed and signed within the specified period.

Now, he said, deadlines have been set for preparing all the documentation and translating it into French or English.

He specified that the term "compromise" suggests something other than what it really means, because it is a commitment to appear jointly before the Court.

Before the document was signed, there was doubt as to whether El Salvador would agree to go to The Hague, because one of the countries can do so unilaterally if the other refuses, according to the Peace Treaty.

8926
CSO: 3248/614

HONDURAS CALLS FOR TRADE RENEGOTIATION WITH GUATEMALA

Tegucigalpa LA TRIBUNA in Spanish 23 Jun 86 p 7

[Article by Rebecca de Reyes; passages enclosed in slantlines printed in boldface]

[Text] As the president of the Central Bank of Honduras (BCH), Gonzalo Carias Pineda, said last week, there is no doubt that "we are a good partner" for Guatemala. He was referring to that country's withdrawal from the Central American Compensation Chamber in violation of the Bilateral Trade Treaty.

/A detailed analysis of the trade that has transpired over the last 2 years provides proof of this./

Two questions emerge from this examination: How important is trade with Guatemala to the Honduran economy? And how beneficial is the Honduran market for Guatemalans?

The export situation can be seen clearly in this table:

Honduran Exports
(millions of lempiras)

	1984	1985*
Guatemala	23.3	6.5
Guatemala compared to Central America	24.5%	13.5%
Guatemala compared to the total	1.6%	0.4%
Central American total	95.1	48.1
Central America compared to the total	6.5%	3.0%
Rest of the world	1,358.1	1,561.6
Rest of the world compared to the total	93.5%	97.0%
Overall total	1,453.2	1,609.7

*estimated
(Source: Central Bank of Honduras)

This table shows that Honduran exports in 1985 totaled 1,609,700,000 lempiras. Of that amount, 48.1 million lempiras' worth of goods were sold to Central America, which represents just 3 percent of total Honduran sales. Within that category, Guatemala accounts for just 0.4 percent.

Between 1984 and 1985, intraregional exports fell drastically from 95.1 million lempiras to 48.1 million, meaning that the country lost 47 million lempiras.

Guatemala, according to economic sources, traditionally purchased about 50 million lempiras' worth of goods each year. In 1985, however, these sales amounted to 6.5 million lempiras, so it can be said that 75 percent of traditional exports to that country have been lost.

In view of this, it is absurd to justify and/or continue to adhere to the Bilateral Trade Treaty, because it does not represent a market that is accessible to Honduran products.

This drastic decline in exports was partly due to the exchange measures adopted by that neighboring country, and at present very few Honduran industries can sell their products on that market. Therefore, Honduras is most definitely a /consuming/ nation as far as Guatemala is concerned.

Honduran Imports
(millions of lempiras)

	1984	1985*
Guatemala	81.8	93.5
Guatemala compared to Central America	41.7%	43.9%
Guatemala compared to the total	4.6%	5.0%
Central American total	196.4	213.2
Central America compared to the total	11.1%	11.4%
Rest of the world	1,579.8	1,656.8
Rest of the world compared to the total	88.9%	88.6%
Overall total	1,776.2	1,870.0

*estimated
(Source: Central Bank of Honduras)

Total Honduran imports in 1985 amounted to 1.87 billion lempiras, and from the Central American isthmus alone 213.2 million lempiras' worth of goods were imported, 11.4 percent of the total.

Of these purchases, 93.5 million lempiras went for merchandise from Guaemala, which represents 44 percent of the interregional transactions and 5 percent of the overall total of purchases.

A considerable increase in these imports was recorded between 1984 and 1985, when Guatemala earned 11.7 million lempiras more, a 15-percent jump.

Of course, this does not take into account smuggling and tax cheating, which can be quantified by making a brief survey of Honduran businesses. Many goods with Salvadoran and Guatemalan labels, and now Mexican labels, are being sold in those establishments.

As a corollary of this situation, the balance of trade with Central America yields a large deficit, with a huge gap of 165.1 million lempiras between the 213.2 million in imports and the 48.1 million in exports.

Nevertheless, since trade with Guatemala is what is at stake here, it is worth noting that the deficit in that area is 86.5 million lempiras.

In percentage terms, the deficit in trade with Guatemala amounts to 52 percent of our Central American trade and 33 percent of the total.

Thus, the one coming out ahead on the deal is Guatemala!

Solutions Needed Urgently

Experts on this subject said that the renegotiation of the bases of the treaty or bilateral agreement could be a palliative.

"Honduras should levy customs duties that would neutralize the exchange advantage Guatemala /enjoys,/ or it should abandon the treaty for good, as members of the Honduran Council for Private Enterprise (COHEP) have demanded," they said.

In addition, importers of raw materials and pharmaceuticals should be given the assistance they need. The former should be given an exemption immediately, and if they want to continue importing from Guatemala they can do so, but the payments should come through the Compensation Chamber.

The latter could be given a revolving line of credit with the BCH, with a 90-day term and facilities for registering imports from the rest of the world.

Finally, and most importantly, the industrialization of the country should be promoted, as has been done in Guatemala. These reversals set the pace for our unstinting battle against the problems that keep arising year after year.

8926
CSO: 3248/614

BRAZIL

PALACE SOURCES VIEW POSSIBLE CANDIDATES TO SUCCEED SARNEY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Aug 86 p 3

[Article by C.C.: "More Than Sufficient Candidates to Succeed Sarney"]

[Text] Whether or not the National Constituent Assembly fosters changes in the government system, maintaining the traditional presidential system, or adopting a presidentialist parliamentarianism, the elections for President Jose Sarney's successor will be direct. They might be held in 1988, 1989, or 1990, if the presidential terms are set at 4, 5, or 6 years. In the first instance, which is most unlikely, the principle of reelection for one term could be established, but there is every indication that, if this should occur, Sarney would not agree to run for another term. Hence, in any event, we shall, sooner or later, witness a succession joined in by the forces supporting and opposing the New Republic, but without the direct presence of its leading figure.

President Sarney will obviously influence the succession itself. He will not have to draw candidates from his vest pocket, much less act as the general-presidents did, selecting their successors by an imperial act, or yielding to the decisions of the high commands. It will be the political forces that will select the candidates for Planalto Palace, but the current president's influence will be considerable, both in the selection and in the campaign.

This proves the correctness of Sarney's policy, with the success of the Cruzado Plan, the fulfillment of the recently introduced goals, and the improvement of the quality of life in the country. Two movements will seek to obtain the designation of heir from Sarney: PMDB [Brazilian Democratic Movement Party], and PFL [Liberal Front Party]. Both parties have chances to regroup again in the National Constituent Assembly, and in backing the present government. They may possibly reach an understanding in the discussion of the main features of the regime's reform, such as the duration of the presidential term and the establishment of the government system. But it would only be through a miracle that each one, individually, would fail to submit its own candidate. At least for the time being, the strategy of Deputy Ulysses Guimaraes, who envisions himself becoming the PMDB candidate, backed by a vice president from PFL, such as Marco Maciel, remains a summer night's dream. Since the elections will be direct, no one will refrain from submitting to the people's verdict.

The possibility of Ulysses' emerging as a candidate is being wondered about, in view of the hypothesis of Sarney's term being set at 6 years, or even at 5. The age of the PMDB president is a factor that cannot be underestimated, even more than his health problems, which have now been surmounted. In such an event, that is, confronted with the tendency toward a younger candidate, some individuals seem in a better position than others. Mention has been made of Waldir Pires, if he wins the elections for the Bahia government; as well as Fernando Henrique Cardoso, depending on his performance in the National Constituent Assembly. He has emerged as a strong candidate for the chairmanship of the large commission, the second place in the hierarchy in which Ulysses Guimaraes will rank first, as president of the Assembly itself. Jose Richa will run close, possibly procuring the presidency of the Senate in February, if the Senate is in operation. Paulo Brossard's chances will depend on his performance in the Ministry of Justice. There are some who also envision Antonio Ermirio de Moraes, if he defeats Paulo Maluf in the contest for Bandeirantes Palace. Almir Pazzianotto is running outside, alone.

Apart from those individuals, it would only be by magic that another PMDB member would emerge as a presidential candidate, even if the National Constituent Assembly garbs itself with the top hat of a sleight of hand artist.

On the side of PFL, the phenomenon is different. The chiefs are more numerous and more visible than the Indians. At least two natural candidates belong to the party, in a considerably stronger position than that of the PMDB candidates: Marco Maciel and Aureliano Chaves.

None of the aforementioned montages, most likely isolated but, who knows, they may be combined, concerns or frightens Jose Sarney. Whether his successor turns out to be Ulysses Guimaraeas, Aureliano Chaves, Antonio Ermirio de Moraes, Marco Maciel, Waldir Pires, or the others, all will be well with him. The president's headaches will begin if he has to observe the picture from the opposite angle. In the event that his policy does not prove correct, with insurmountable obstacles posed for the Cruzado Plan, with the goals not becoming effective, and with the average Brazilian's standard of living declining, it will be the turn of the adventurers; at least adventurers in the opinion of the New Republic.

Leonel Brizola is pulling rank. He is the declared, wide-open candidate. He will be in a better position if there is chaos; in other words, he would be strengthened if the Sarney government were facing more problems than it could produce solutions for. Although lacking in party structures commensurate with his appetite, he is preparing for the fray.

Paulo Maluf, if he is elected governor of Sao Paulo, will be another sure contender. And he would even like Sarney's term to be set at 6 years, which would give him time to attempt a speedy administration, reaping the deserved political profits from it. However, even if he loses the November elections, the former governor will have to persist. His electoral patron is the former American president, Richard Nixon, who, after having been defeated for the presidency of the republic and for the governorship of California, managed to reach the White House.

Janio Quadros vows that he ran in his last election in November, for the Sao Paulo City Hall, but his vows do not usually become a decision. He would take a risk, at a time of general indecision. Lula could be predicted to evolve in the same manner.

The foregoing comments are not based on mere journalistic speculation. They were heard yesterday in one of the privileged offices of Planalto Palace. Therefore, they are recorded for future comparison.

2909
CSO: 3342/180

ROLE OF MILITARY UNDER NEW CONSTITUTION DISCUSSED

Rio de Janeiro O GLOBO in Portuguese 21 Aug 86 p 4

[Text] Up until now, the debates on the role to be given to the military by the new Constitution have been flawed by superficiality and preconception.

It may be admitted that the prolongation of the 64 cycle, even after its creative potential was depleted, destroyed the coexistence between civilians and the military. Traumas caused by the regime's extension in the political areas (reports of torture and political prisoners), the economic area (foreign debt, inflation), and the administrative area (constant complains of corruption) have distorted its assets. At a quick glance, it now appears to be showing only a debit account. The authoritarian exercise of power, preventing the free expression of criticism, and penalizing the independent, uncompromised evaluation of public issues, has filled that vision with the bitterness of resentment. And the resentment has become prejudice. This is the basis for the preconception which, projected into the constitutional debate, has brought about more or less the following position: Let's dig a trench, and put up walls to prevent them (the military) from being able to assume power again.

However, trenches and walls would be abysses separating civilians and men in uniform; which would definitely not bring a contribution beneficial for institutional coexistence.

Preconception, as the term indicates, hampers a realistic view. The balance sheet of the movement of 64 records a replete credit account A renewing inspiration and an enterprising activity cannot be denied it. It would be unnecessary to detail the history; to rate it, we need only cite the effort to modernize the country undertaken during that period.

Nor can individuals be confused with the institution, in avoiding a preconceived judgment. During recent years, relatively few officers from the three branches of service have been directly involved in public administration. The vast majority of them remained where they had always been, in their work places. They were as much spectators as the civilians were.

The Constitution, which also works with the past but is projected into the future, must not sanction illusions either. There is now a desire (this has been made clear) to establish in the constitutional text a kind of antidote against coups d'etat. The Armed Forces would only be given tasks involving external defense, and therefore be excluded from responsibility for internal security; so that everyone would know that, except for provisions to the contrary, revolutions are banned in this country. Judging from the debate that has ended, they have hardly scratched the surface of the issue.

We need not extend to a major law the relentless penetration with which the people analyze legal regulations devoid of a sense of reality. With regard to them, they simply say: that hasn't "worked." It would belittle the discussion preceding the installation of the Constituent Assembly.

The military leaders have given evidence of moderation on more than one occasion. In countless declarations, they have affirmed their view: They do not want to see their responsibilities for internal defense taken from them, but they admit that, in this area, their activities should be subject to the express view voiced by the civilian society through the authorized organs (the president of the republic, supreme military commander; the Judiciary; and the National Congress. Although the society's control is explicit in the Constitution, they want the conditions under which their intervention might be required to be made so.

They go still further in the defense of their conviction. Originally, the military interventions which proliferated in the history of the republic were not merely a result of the military commanders' ambition. They were reflections of the authoritarian mentality of a considerable part of the civilian society and hence they took place.

The military do not think that this was good either, and want, through dialogue and through a deglorification of the military issue, to create among the civilians antibodies against the virus of totalitarianism which, every now and then, seeks them as saviors of the nation.

That is a path of understanding. It puts everything in its proper place. It is not the fallacy of the division between dispossessed civilians and an ambitious military. We are living in the same society, and the institutional cataclysms that have often attacked us were a reflection of our political immaturity, of the parties' ideological weaknesses, and of our incipient level of community organization. Those problems are not a result of someone else's wickedness. We should look at ourselves in the mirror. It would prove enlightening.

The change in mentality with respect to those issues is even more important than the constitutional decision. And for the debate which will now embark upon a more agitated phase, the contribution of the military has been magnanimous and fruitful.

2909
CSO: 3342/180

BUSINESS, LABOR, ECONOMISTS ASSESS CRUZADO PLAN ADJUSTMENT

Sao Paulo EXAME in Portuguese 6 Aug 86 pp 24-29

[Text] To say the least, the package announced by President Sarney on the night of 23 July certainly did not arouse the same enthusiasm as the first days of the Cruzado Plan, its elder brother. It did not bring the certainty that, with the measures adopted (the creation of the National Development Fund through the collection of compulsory loans affecting cars, gasoline, and alcohol, and the additional taxes on travel and exchange), the government has resolved the problem of financing public sector investments (in the areas of electric power, iron and steel, transportation, storage, and communications, among others) essential for ensuring a new cycle of stable development. Hovering over the government's best intentions is the specter of the public deficit, an untiring devourer of funds, and a series of difficulties stemming from the price freeze, which is unquestionably inhibiting decisions for investment in private business firms.

In any event, it seems clear that the government has taken a major step toward overcoming a debate that has been to a certain extent futile regarding the matter of the excessive demand for consumer goods, according to some economists a serious threat to the success of the Cruzado Plan; but it has certainly not solved such problems as that of the shortage (real or provoked) of essential foods, such as meat and milk, the fraud in weight or quality, and other practices potentially dangerous for the Economic Stabilization Plan. For example, one large Sao Paulo department store noted that the prices charged by its suppliers had risen from 3 to 4 percent during the past few months.

In the area of consumer goods, the larger demand resulted from the increase in the volume of wages, starting in 1985, and the rise in the available income of wage-earners resulting from the reduction in income tax at the source, in November of last year, and also the effects of the Cruzado Plan which, according to economist Antonio Kandir, of UNICAMP [Campinas State University] and the Brazilian Analysis and Planning Center (CEBRAP), raised the purchasing power of wages. All these factors combined, plus the massive withdrawals from savings accounts during the first 2 months of the Cruzado Plan, caused the latter to meet with a very heavy demand at its beginnings, which led to another increase in employment and wage volumes, and created conditions for the resumption of moves to restore the purchasing power of wages.

Naturally, on the business side, the leading indicator of that situation is the rapid depletion of the installed production capacity (see graph), because during the recessive years at the beginning of this decade, there were virtually no investments. Another sign is the difficulty in hiring skilled labor, and also the queuing for the purchase of new machines. Upon encountering this situation, the first reaction from Sao Paulo industry was to ask the government to put an end to the freeze, or at least begin the thaw starting with the most heated sectors, as a means of quickly coping with the problem. At the same time, orthodox economists suggested the immediate raising of interest rates (which, significantly, had virtually doubled since 28 February).

But the government was convinced that the raising of interest would only exacerbate the Cruzado Plan's problems. In the government's view, in addition to generating additional tensions against the freeze by depressing the profit margin of business firms, already considerably reduced, the rise in interest would contribute to an increase in the financial component of the public deficit and inhibit investments. In short, that was not the best policy for complementing a heterodoxical program the main purpose of which was to combat inflation without the bitter remedies of a classic recession. Thus, the government, which had been preparing the PND's [National Development Plan] Target Plan for months, preferred to select the policy of raising investments, both public and private, as a more feasible method for solving the matter of the excess demand for once and for all. In fact, the current economic policy is not aimed at cutting the demand; it only seeks to adjust its growth, because the supply of goods and services cannot increase immediately, with the exception of imported food.

The Role of the State

According to government economists, the funds coming from the compulsory loans should improve the public sector's financial situation, which is now delicate, allowing for a new cycle of investments in infrastructural sectors which, because of the long period of maturation and the voluminous resources involved, are traditionally made by the state. Kandir considers that recovery of the investment capacity very important because, "in Brazil, the expansion of private investment depends on the growth of public investment." At present, the demand for machinery by private firms is exploding, but it is not a matter of investments in new plants, but rather of purchases of production goods determined by the need for technological modernization or by the creation of a new shift (the only sectors that are building new factories are the chemical and textile sectors).

A firmer resumption of private investment can only occur with an increase in the production of basic equipment by the state, or else through its import (a hypothesis harmed by the difficulties that large-scale importing would entail for the balance of payments). It is also a fact that many goods and services offered by the state cannot be imported (included in this category are electric power, transportation, and storage, for example). In specific instances, another option would be to reduce the exporting of certain input, such as steel, until it becomes possible to expand the domestic supply. Under those conditions, the large projects in private enterprise required for the country's development should only be made if there is a guarantee of infrastructure.

It may have been to convey that scenario that the finance minister, Dilson Funaro, met for over 2 and a half hours with the powerful Sao Paulo industrialists at the headquarters of the Sao Paulo State Federation of Industries (FIESP) on the day following that of the decree of the new package. Funaro explained to the industrialists the reasons for the option for compulsory loans, claiming that this measure would provide the government with facilities for paying off the social debt, the priority goal of the Target Plan for the period 1986-89 (see table). During that short period of time, the government intends to put into effect an ambitious program of investments devised to recover and expand the economic infrastructure, to give an incentive for the technological renovation of industry and agriculture, and to promote social development, removing over 4.5 million Brazilian families from poverty, and creating 6.6 million new jobs.

More important, however, was the truce between Funaro and FIESP, essential for the maintenance of the Cruzado Plan and the effective implementation of the Target Plan. It is a fact that, to overcome some major resistance, the finance minister offered to make an administrative reform, which should occur immediately, and a study for the reduction of the IPI [Manufactured Goods Tax] for the automotive, pharmaceutical, and cigarette industries, the greatest opponents of the freeze. Based on the reading of certain government technicians, that rapprochement with FIESP is essential to guarantee the private sector's matching of the government investments in infrastructure, estimated at 638.2 billion cruzados by 1989. That sum, plus the private sector's investments, should raise the proportion of investments from 17.6 to 21 percent of the GDP.

A leap of that magnitude would be easier if the country did not have to send over 4 percent of the GDP abroad every year, to pay the interest on the foreign debt. Hence, there is a serious obstacle posed because of the insufficiency of the current rate of savings in the Brazilian economy, which is 17.5 percent of the GDP. In the past, based on the introduction of the Target Plan, that problem was solved by inflationary financial mechanisms (with losses for wage-earners), or through the use of foreign sources of financing at high interest rates. Now, because of the impossibility of resorting to those traditional financing mechanisms, the additional effort at savings required is about 3 percent of the GDP, to be mobilized primarily by means of compulsory loans.

But will those loans increase savings? The former planning minister (and candidate for the Sao Paulo Constituent Assembly), Antonio Delfim Netto, answers that they will not. He views the new package as a transfer of savings from the private sector to the public sector, and challenges the interpretations of the ministers in the economic area, claiming that the measures affect only high-income groups. Delfim remarks: "To have more savings, it would be necessary to sacrifice some current consumption, and that can only be done by raising the interest rate." The former minister describes as "disastrous" from a development standpoint the transfer of a part of private savings to the public sector; because, in addition to inefficiency, the FND [National

Development Fund] itself will have a management cost. Delfim thinks: "The result would be that, of every 100 cruzados of savings withdrawn from the private sector, slightly over 50 would be effectively used."

Swelling the ranks of opponents to the new package, the former planning minister also condemns the "gigantic purge that the trick of the compulsory loan will entail in the cost of living index," because all medical services, engineering services, and services related to assistance, small deliveries and moving are carried out with gasoline-powered vehicles. "So, it is an exaggeration to claim that no cost will be affected," argues Delfim, adding that this is only another type of purge among scores of others carried out every day, in view of the fact that the CPI ignores the widespread existence of profiteering in money lending, quantitative and qualitative exchanges and black market operations.

Following Delfim's same line of reasoning are economists from the Getulio Vargas Foundation, who disapprove of the government's decision not to take the CPI (the official consumer price index calculated by the IBGE [Brazilian Institute of Geography and Statistics]) into consideration, as well as the increases caused by the compulsory loans affecting vehicles, gasoline, and alcohol. The FGV promises to consider those price hikes in its indexes, despite the weighing done by Minister Dilson Funaro who justifies the government's decision by the fact that only 10 percent of Brazilians own an automobile.

The inclusion or exclusion of the purges in the price indexes will produce a situation that is at least odd. At the end of last year, the economic authorities chose to replace the GPI of the Getulio Vargas Foundation with the CPI of the IBGE Foundation, as an official parameter of the variation of prices in the country, claiming, among other things, that the GPI is greatly influenced by the behavior of prices in Rio de Janeiro. After the adoption of the Cruzado Plan, since the GPI began showing a greater variation than the CPI, both Minister Funaro and President Sarney himself started mentioning it every time they commented on the inflation that occurred during the period. Now, it is not difficult to predict that the CPI will again prevail as a price gauge.

Also dissatisfied with the underestimation of the inflationary indexes because of the non-inclusion of the compulsory loans in the IBGE index, the trade unions affiliated with the CUT [Sole Central Organization of Workers] are threatening to disregard the official CPI, and base their wage demands on the increases in the cost of living compiled by the Interunion Department of Statistics and Socioeconomic Studies (DIEESE); because the trigger for the moving wage scale will be delayed. Hence, a tense atmosphere is beginning to form between the more active unions and the government, as may be concluded from the reaction of the CUT president, Jair Meneguelli, who anticipates an increase in the wave of strikes all over the country as a natural reaction from the worker who "has been harmed once again." The union leader regrets the government's decision to send the new strike law to Congress, without discussing the changes with the workers in advance.

In business circles, the majority of which favor the new package, as was disclosed by a poll taken by EXAME, certain measures adopted by the government are considered timid. In general, the businessmen are not satisfied with the authorities' apparent insensitivity to the problem of the public deficit. This impression coincides with the view of economists such as former Minister Mario Henrique Simonsen, who does not conceal his uncertaintites in analyzing the measures decreed by President Sarney. He fears that the money collected may even end up financing the public deficit.

To those who doubt the government's intentions of using the money from the compulsory loans only to expand investments, the presidnet's advisers respond that those measures would not be adopted during an election year if the future of the Cruzado Plan, on which Sarney has wagered his entire prestige, were not at stake. The president's only concession was the non-taxation of the extra profit accrued by PETROBRAS [Brazilian Petroleum Corporation] with the reduction of the price of imported oil and the reduction (from 40 to 28 percent) in the compulsory loan affecting fuel.

The Debt Front

The government intends to obtain the difference between the funds that will enter the FND and those necessary for dealing with the ambitious target plan announced by the president by reducing the payments of the charges relating to Brazil's foreign debt. It is on this new front that Minister Funaro will start to operate starting now, and the success of the measures that have just been adopted internally, on which the minister certainly wagered part of the popularity that he gained with the initial success of the cruzado may perhaps be at stake there.

The Bill for the Middle Class

"The Brazilian state's capacity for savings has been destroyed by policies which have caused a high degree of indebtedness." The person making this assertion is one of the fathers of the Cruzado Plan, economist Francisco Lopes, of the Rio PUC [Pontifical Catholic University], currently an adviser to the Ministry of Planning. He claims that the interest on the external and internal debts consumes over 5 percent of the GDP. And, in view of this, there was no alternative other than to divide with the middle class the burden of the public sector's investments. Lopes explains below to EXAME some points concerning the second phase of the Cruzado Plan:

The Financial Cash

"There was no adjustment in the Cruzado Plan, but rather a continuation. The purpose of the Plan was to combat inflation without recession, which was achieved. The economy is extremely heated. So, there is as a logical consequence, the question: how to sustain that growth? To have the economy grow 7 percent per year, it is necessary to invest, and more intensively than in recent years. A major portion of the income will have to be saved. Then came the diagnosis of the cash. The state has a massive internal and external debt for which it is paying interest in excess of 5 percent of the GDP. The cash is the financial outlay. In fact, there is a problem of incompatibility.

The state has to invest 4 percent of the GDP, but it is faced with a very high debt cost."

The Development Fund

"Without the financial charges, the state would be generating sufficient revenue to finance its investments. The National Development Fund is solving part of this problem. If it collects 2 percent of the GDP, it covers half of the financial requirements. The other portion will be financed with the normal expansion of the internal debt and, possibly, by a contribution from external savings. The Fund has made the financing problem manageable. It allocates 2 percent of the GDP for financing, but it would be very complicated to finance 4 percent. For example, a 10 percent cut in the public sector's personnel outlays generates a savings of only 0.3 percent of the GDP and a tremendous social problem."

De-Indexing

"Now, the controversy has arisen over the inflation rate. To incorporate the compulsory loan into prices would be a decision at odds with the entire de-indexation philosophy. We are drawing funds from the middle class to finance development. Putting that in the index is a crazy idea. We are engaged in a political and economic plan for a nation. Therefore, a merely technical discussion of the issue is myopic."

Supply

"In an economy that is growing 3 percent per year, the problems occur in slow motion. At 10 percent, everything is too fast. Therefore, the supply problems that we are observing arise. And there is without doubt a popular demand for more drastic measures against speculators. The government would certainly capitalize politically if it used Delegated Law No 4. For the time being, there is a negotiating position, but a breaking point could occur. In such a confrontation, the government will be able to act with complete political support."

15 November

More important than the popularity is the credibility. The public now knows that it has a government with a conscious proposal. I am certain that the political effects will be positive. The middle class will scream for a week or 2; but it won't scream until 15 November. We shall reach November with an inflation of 6 percent and the country growing at 10 percent per year. So, there is no reason to be pessimistic."

The Support (in Terms) of Businessmen

The majority of Brazilian businessmen support the new package, but do not think that the measures contained in it will be sufficient to attain the goals stated by the government upon publishing it, such as curbing consumption, stimulating productive investment, and keeping inflation at the current levels (see tables). This is, in summary, the result of the poll taken by EXAME among 97 small, medium, and large-sized business firms located in 12 Brazilian states. *

It is a result which, in the dispassionate expression of numbers, could be interpreted as a massive vote of confidence in the government's economic action (81.4 percent of those interviewed gave their support to the package), backed, moreover, by a kind of suggestion that it should have gone further. However, the survey also attempted to procure more elaborate opinions from the businessmen queried. And there, although the minister of finance, Dilson Funaro, and the planning minister, Joao Sayad, received enviable rates of approval for their performance (91.8 and 79.4 percent, as compared with the 94.1 and 72.8 percent recorded in the Executives Panel-EXAME poll of 23-7-86), a highly critical position is widespread.

For example, the conviction is almost unanimous that the government will use the funds accrued in the form of the compulsory loan not to actually feed the newly created National Development Fund, but rather to reduce the depth of the gap in the public deficit. "Once again, the government is cutting the costs of private enterprise, and doing nothing to reduce public spending," complains Gregory Rian, president of the chain of McDonald's luncheonettes in Sao Paulo. Rian makes the comparison, "It even resembles Delfim's programs." Jose Afonso Sancho, president of the Fortaleza Bank, Inc. and honorary president of the Ceara Commercial, Industrial, and Agricultural-Livestock Associations, is more incisive in his comparisons: "Adopting measures with the intention of collecting money," he says, " is an old movie, already seen even during the Figueiredo government with the Finsocial used during that time to close the gaps in the BNDES [National Economic Development Banks]."

After all, "historically, the government has not given any proof in this respect," recalls Peter Schreer, president of Kibon in Sao Paulo, posing doubts about the effective use of the FND funds. Nevertheless, there are businessmen who claim to believe in the government's reliability concerning the use that it will make of the money, such as Bruno Nardini, president of Nardini, a machine tool manufacturer with headquarters in Americana (Sao Paulo).

Confidence in the government's sincerity is implicit in the opinion of Abel Carparelli, president of Shell of Brazil, the largest firm in the country based on billing, according to "Melhores e Maiores" (Bigger and Better). In addition

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* A total of 34 business firms were heard in Sao Paulo: 17 in Rio de Janeiro; 17 in Minas Gerais; six in Parana; five in Rio Grande do Sul; four in Ceara; four in Bahia; three in Pernambuco; three in Santa Catarina; two in Amazonas; one in Piaui; and one in Paraiba.

to approving the package, he thinks that "more money should have been taken to allow for larger investments," because, in his view, "the distribution of income has been excessive, and has been worsened by the drawing from savings accounts."

There are also those who, while claiming that they trust in "the reliability and efficiency of the measures," such as Orlando Moscoso Barreto de Araujo, head of the Barreto de Araujo group (exporters of cacao, castor oil, and orange juice, and manufacturers of paper and furniture), and chairman of the Bahia Federation of Industries, raise the question of the political feature that the execution of the government's plans could assume because of the influence of the proximity of elections.

In the political realm, where the so-called "little package" has been established, the volume of criticism was also large. Condemnation of the manner in which the package was imposed (a decree-law, with Congress adjourned) to some extent comes from Oiapoque to Chui. "I agree with former Minister Leitao de Abreu that the package is unconstitutional because it is based on a decree-law," notes Moises Sabba, of the Sabba group (billing of 800 million cruzados in 1985) from Manaus, echoing similar statements made by businessmen from Minas Gerais, Florianopolis, Curitiba, and Porto Alegre.

As for the effects of the measures, their effectiveness has been brought into question, either because of the limited scope, or because of their merits per se. "In fact, there should be an increase in production to meet the demand, and not a restriction on consumption, as is taking place," declares Francisco Flavio Germano Magalhaes, director of the Guadalajara Clothing Industry, Inc, of Teresina, which billed 500 million cruzados in 1985.

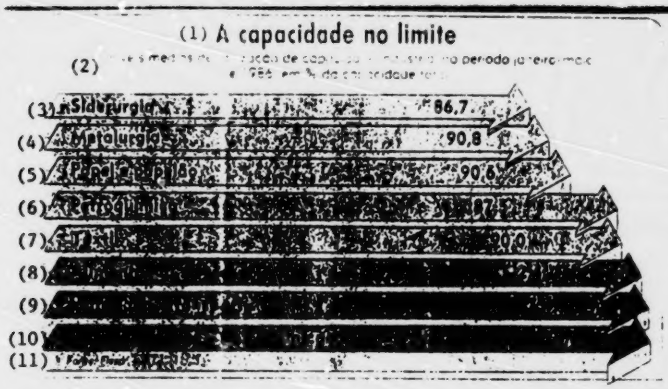
In the area of curbing consumption, Roberto Dualibi, a partner in the DPZ advertising agency in Sao Paulo, has an even philosophical opinion in condemning the intention inherent in the package. "When I think of a desire to have goods, I think of a position of gratification from work, a right that people have for having worked and earned a wage, to purchase what they please." This is a right the basic incentive for which (the price freeze) received the support of the overwhelming majority of those interviewed (85.6 percent). They differ as to the period of duration. To the question as to how long it will be continued, only the government can respond.

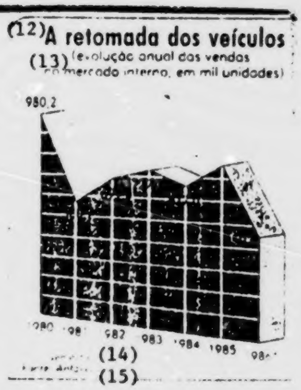
Targets for the Economy Until 1989

	1985	1989	Percentual Variation
Gross domestic product (in billions of 1986 cruzados)	3.291	4.278	30.0
Per capita GDP (in 1986 dollars)	1.621	1.932	19.2
Gross fixed investment (in billions of 1986 cruzados)	536	907	69.2
Personal consumption (in billions of 1986 cruzados)	2,337	2,917	24.8

	1985	1989	Percentual Variation
Exporting (in billions of current dollars)	25.6	31.7	23.8
Population (in millions)	135	147	8.9
Economically active population (in millions)	57	63	9.8
Industrial employment (in millions)	12	15	25.8

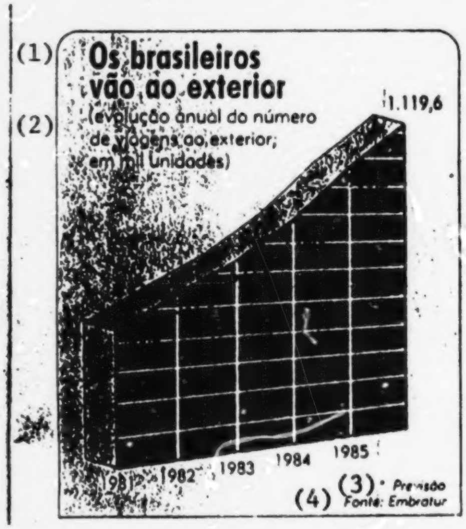
Source: Target Plan





Key to Graphs 1 and 2:

1. To the limit of capacity
2. (Average levels of use of industrial capacity during the period January-May 1986, in % of total capacity)
3. Iron and steel industry
4. Metal industry
5. Paper and cardboard
6. Petrochemicals
7. Textiles
8. Food
9. Transportation equipment
10. Electrical and communications sector
11. Source: FIESP
12. The recovery of vehicles
13. (Annual progress of domestic market sales, in 1,000 units)
14. First half
15. Source: ANFAVEA [National Association of Automotive Vehicle Manufacturers)



Key to Graph 3:

1. Brazilians go abroad
2. (Annual progress in number of trips abroad, in 1,000 units)
3. * forecast
4. Source: EMBRATUR [Brazilian Tourism Company]

The Package Is Approved

Question: Do you approval of the economic package? Yes: 81.4%; No: 18.6%

...But the Measures Are Considered Insufficient

Question: Do you think that the measures adopted are sufficient to...

a. ...curb consumption? Yes: 34.0%; No: 66%

b. ...stimulate productive invetment? Yes: 49.5%; No: 50.5%

c....guarantee balanced development of the economy? Yes: 43.3%; No: 56.7%

d....keep inflation at the current levels? Yes: 49.5%; No: 50.5%

The Ministers' Performance

Question: What is your opinion of the performance of Finance Minister Dilson Funaro and Planning Minister Joao Sayad?

	Excellent	Good	Fair	Poor	Very Poor
Finance	43.3%	48.5%	7.2%	1.0%	-
Planning	25.8%	53.6%	19.6%	1.0%	-

Freeze How Long?

Question: Starting with the new package, the price freeze should be:

Stopped immediately: 14.4%
Continued: 85.6% (100.0%)
  Until the end of 1986: 25.6% (29.9%)
  Until February 1987: 27.8% (32.5%0
  Beyond February 1987: 32.2% (37.6%)

2909
CSO: 3342/174

PETROBRAS TO EXPAND ACTIVITIES ABROAD; NEW EXPLORATION

Braspetro Ventures Cited

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Aug 86 p 25

[Text] PETROBRAS [Brazilian Petroleum Corporation] has decided to act more aggressively on the international market during the coming years, taking advantage of the space opened by the decline in oil prices and the resultant difficult situation in which many foreign companies in the sector find themselves. The lower costs of oil and equipment imports, as well as the profit of 15 billion cruzados during the first half, have prompted the state company to intensify the activities of BRASPETRO (PETROBRAS International, Inc.) which, during the next few days, will participate in the bidding opened by the government of Norway for the exploration of oil in the North Sea.

The process of "internationalizing PETROBRAS" also includes the agreement that is being negotiated with the Argentine Government for the joint utilization of the neighboring country's reserves. In an exchange of the technology that it has for exploring in deep water (over 500 meters), PETROBRAS is interested in using the Argentine refineries' capacity; because Brazil's refining capacity has been saturated, as was explained yesterday by the president of BRASPETRO and director of production for PETROBRAS, engineer Wagner Freire.

Last year, Government Oil Deposits (YFP) had already opened bidding for the exploration of 10 Argentine reserves, but there was little interest, because the payment would be made in australs or in petroleum by-products. But now, according to Wagner Freire, the method of payment is being renegotiated, "as part of the two governments' mutual intention of complementing the economies."

Oil and Soap Opera

The marketing effort of BRASPETRO which has been exploring Angolan oil since 1980, even includes the sponsorship of TV Globo's soap opera, Roque Santeiro, on that country's television, jointly with SONANGOL [National Angolan Fuel Company], an Angolan international firm. Wagner Freire explained that Brazil has already invested $120 million in Angola, the site of the largest international reserve explored by PETROBRAS. It is Lombo East which, next year, should be producing 50,000 barrels of oil per day. The Angolan Government's debt (as stipulated in the risk contracts concluded with PETROBRAS) will be paid in oil; which means that Brazil will initially receive from 15,000 to 20,000 barrels of oil per day from Lombo East.

BRASPETRO is also making geophysical surveys on the coast of Colombia, and may conclude an agreement for the exploration of new reserves starting next year.

Campos Basin

Engineer Wagner Freire also disclosed that the grophysical surveys being made in the Campos Basin indicate that the Merlin reserve, discovered last year (together with that of Albacora), may be twice the size anticipated.

Parana Basin Exploration

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Aug 86 p 39

[Text] PETROBRAS will soon being exploratory investigations for oil prospecting in the Parana Basin, concentrating the effort on a seismic survey and geological mapping in regions operated under risk contracts between 1980 and 1983 by the Paulipetro consortium, created by the then Governor Paulo Salim Maluf, in December 1979. Marked by reports of corruption and misappropriation of funds, Paulipetro failed to find either oil or gas in 34 wells drilled, and spent $500 million until its abolishment, on 23 March 1984, at the behest of Governor Franco Montoro.

In a letter dated 16 July of this year, the president of PETROBRAS, Ozires Silva, confirmed the resumption of prospecting in the Parana Basin (which covers an area of 1.2 million square kilometers between the states of Rio Grande do Sul and Goias), and also in the Taubate Basin, demarcating areas to be investigated in the Sao Paulo municipalities of Jacarei, Taubate, Presidente Prudente, and Campo Mourao (Parana). In the document sent to Prof Jacques Marcovitch, president of the Sao Paulo Electric Power Company (CESP), Ozires Silva explained that the first phase of the investigation would consist of seismographic surveys which, based on the state company's own timetables, must be started during the first half of this year.

Ozires Silva's letter formalizes a request for cooperation from CESP, "considering the experience that it has in carrying out those activities in the region," to procure permission for PETROBRAS' access to the work areas and those for assessing possible damage caused by the operations. Its president disclosed that PETROBRAS technicians have already made preliminary contacts regarding the possibility of implementing that cooperation, with officials from the CESP Legal Directorate's Expropriation Department and its Studies and Development Directorate's Special Projects Department. According to Ozires Silva, the planned cooperation would take place in the form of the provision of a five-man team (a coordinator, an assessor, and three contacts), and four vehicles, with PETROBRAS paying for the services rendered.

Exploration Plan

PETROBRAS' return to the Parana Basin, where it had already drilled 71 wells since 1953, is part of the "1985-1990 Exploration Plan," the purpose of which is to incorporate new oil reserves into those already known. In that program's "technical action plan," the "return to the Parana Basin" is mentioned in item 2.7, with prospecting directed "primarily toward blocs Nos 48, 49, and 45, where Paulipetro operated." The text also explains that the exploratory program "will include regional features, aimed at proving compressional stresses caused by cross faults"; a task which will require "new seismic surveys, using vibroscopic equipment with variable sweeps, and detail geological mapping in the upper and adjacent blocs."

In fact, the prospecting in the area should already have been started, as noted in a circular letter from PETROBRAS dated 11 December 1985 and sent to companies interested in rendering that service to the state enterprise. The price proposals were supposed to have been submitted by 29 January of this year, meeting PETROBRAS' requirement that those services were to be rendered by a seismic team, called ES-225, provided with "telemetric equipment with 120 channels." The team was due to "begin its work during the first half of 1986 in the Parana Basin, and could be moved later to other sedimentary basins, depending on PETROBRAS' interests."

New PETROBRAS Refinery in 1990

By the end of this year, PETROBRAS will decide on the construction site for another refinery in the Northeast, with a capacity for over 130,000 barrels per day, which will go into operation at the beginning of the next decade. The project should cost nearly $700 million, and is being designed based on the predicted growth in the demand for fuel in the country. At present, this demand is 1.1 million barrels per day, and the estimates indicate that, by 1992, the volume should amount to 1.3 or 1.4 million barrels per day.

According to PETROBRAS' production superintendent, Roberto Vila, if the refining capacity does not increase, Brazil runs the risk of having to import by-products already refined within 6 years. The cooperation agreement that is being studied with Argentina, involving the use of the idle capacity in the neighboring country's refineries, will serve to make up the Brazilian demand temporarily (in view of the increased consumption during recent months), as Roberto Vila explained.

The PETROBRAS director also announced that, within 2 years, the Carioco [Rio de Janeiro] Catalyst Factory (FCC) should be going into operation, processing sand to produce catalysts used in petroleum cracking. Vila explained that, at present, Brazil is importing $35 million worth of catalysts annually.

National Oil Reserves Increased

Rio de Janeiro O GLOBO in Portuguese 12 Aug 86 p 20

[Text] During the first 6 months of 1986, the national reserves of petroleum and liquid natural gas (LNG) increased slightly. According to a technician from the company, this is because those discovered in the gigantic fields in deep waters of the Campos Basin have not yet been counted.

By the end of the second half of this year, the oil reserves totaled 2.25 billion barrels, 2.5 percent more than the total as of 31 December, that is, 2.194 billion barrels. During the half, the increase in natural gas reserves was also slight (0.68 percent), rising from 92.734 billion cubic meters to 93.365 billion cubic meters.

Those statistics will be submitted today by PETROBRAS' Directorate, during a meeting of the company's Administrative Council, for approval. The increment in the reserves was small, according to the company's technician, because there were no large-sized discoveries during the period.

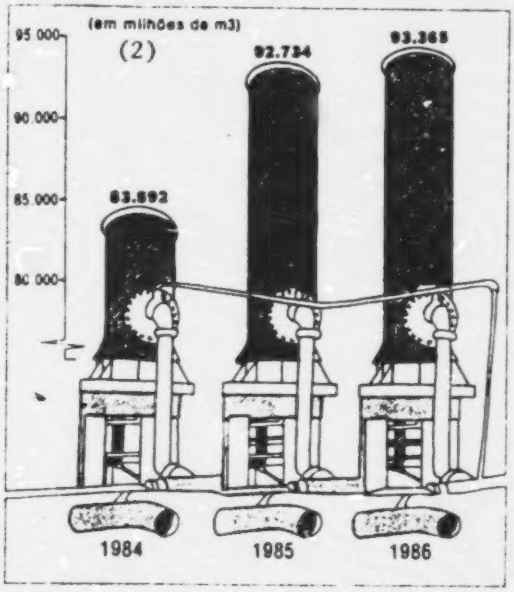
According to the specialist, based on PETROBRAS' internal reserves code, only the oil or natural gas discovered which can be produced is incorporated into the country's reserves. The technology for production in deep water is still under development by PETROBRAS and all over the world.

In the Albacor gigantic field, it is estimated that there are reserves amounting to 500 million barrels of oil and 150 billion cubic meters of natural gas. In the Marlin field, the prediction is that there are reserves totaling 2.5 billion barrels of oil and slightly over 100 billion cubic meters of natural gas.

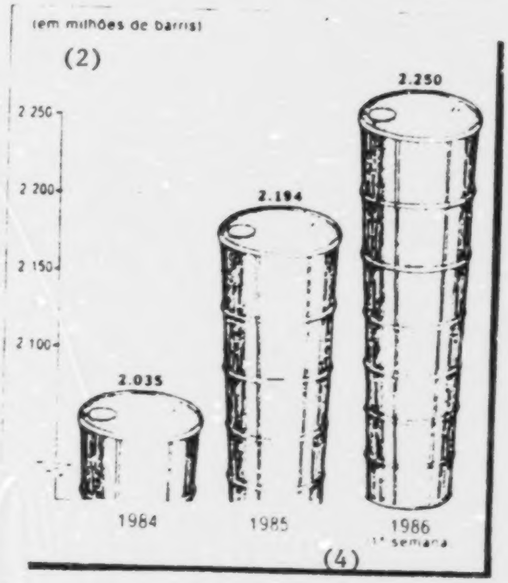
Balance Sheet

Also scheduled to be submitted to PETROBRAS' Administrative Council today are the results of the company's balance sheet for the first half of the year. On this occasion, the distribution of a dividend will be proposed, in anticipation of the results for the fiscal year, amounting to 16.00 cruzados per package of 1,000 shares, which in real terms represents a 20.4 percent increase over the dividends paid during the same period last year. PETROBRAS' net profit during the half was 15.2 billion cruzados, and the profit per package of 1,000 shares was 151.80 cruzados.

(1) AS RESERVAS DE GÁS...



(3) ...E AS DE PETROLEO



Key to Graphs:

1. The Gas Reserves...
2. (in millions of cubic meters)
3. ...And Those of Oil
4. (1st week)

2909
CSO: 3342/180

BRIEFS

PT CONCERN OVER SUPLICY CANDIDACY--PT's [Workers Party] regional executive body met yesterday to assess the campaign of its candidate for the government, Eduardo Suplicy, concerned over "the apparent decline suffered by the party" in the latest polls. At the conclusion of the meeting, the coordinator of Suplicy's campaign, Marco Aurelio Garcia, admitted that incidents such as the holdup of the bank in Salvador by PT members and the press reports on the Leme conflict "contributed particularly to the decline of PT." The candidate thinks that he will react with radio and TV ads, and with the debate on 24 August. Yesterday, Suplicy also challenged Paulo Maluf, of PDS [Social Democratic Party] to open the doors of his company's ranch in the Angatuba region for an investigation of the reports of slave labor. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Aug 86 p 4] 2909

CSO: 3342/180

FRG REQUESTS AGREEMENT TO PROTECT INVESTMENTS

PY280350 Santiago Domestic Service in Spanish 2300 GMT 27 Aug 86

[Excerpts] A tour through different countries is being planned by Economy Minister Juan Carlos Delano to promote foreign investments in Chile. The economy minister made this statement during ceremonies that were held to commemorate the 70th anniversary of the Chilean-German Chamber of Commerce, which was held at the Club de la Union. Present at the ceremony were President Pinochet, Foreign Minister Jaime del Valle, and Public Works Minister Bruno Siebert, among others. Also present at the ceremony were 400 German descendants, and the new FRG Ambassador Horst Kulak-Ublic.

Economy Minister Delano first reviewed the Chilean economic situation.

The economy minister noted that in the first months of the year Chilean exports to the FRG have increased by 18.1 percent while imports increased by 12.9 percent. Delano said that this means that overall trade has experienced an increase of 16 percent in which important institutions, like the Chilean-German Chamber of Commerce, have played an important role. Delano said that these institutions play an important role in the nation's development because they inform us about our situation abroad in a clear and objective manner.

FRG Ambassador Horst Kulak-Ublic has requested the signing of an agreement for the protection of investments during the 70th anniversary of the Chilean-German Chamber of Commerce. The FRG diplomat, who delivered a speech at the ceremony that was presided over by President Augusto Pinochet and three ministers, noted the important bilateral trade between the two countries. He said that last year FRG-Chilean trade totaled $300 million and the balance was favorable to Chile as has been for many years.

Later the FRG ambassador referred to the Latin American foreign debt by noting that the mere decrease of 1 percent of international interest rates would mean savings of about $4 billion.

He said Chile is known throughout the world for its good financial management.

[Begin Kulak-Ublic recording] Chilean policy regarding the economy and the handling of the foreign debt has had the approval of governments and financial institutions despite the fact that this has not been reported by the mass media. But it has [words indistinct] in the treatment of international organizations and the Paris Club all of which is a positive aspect for future cooperation. [end recording]

/6091
CSO: 3348/781

PINOCHET ON FOREIGN DEBT PAYMENT, DEMOCRACY

PY210323 Santiago Radio Chilena in Spanish 2300 GMT 20 Aug 86

[Relay by Eliana Henriquez from Chillan where she is covering President Augusto Pinochet's visit]

[Text] President Augusto Pinochet said today that Chile will not be able to pay its foreign debt if some foreign nations suspend their credit assistance. The chief of state made this remark during a meeting with the community of Coihueco, located at 27 km from Chillan, where he is ending a 3-day visit to the southern region. In an impromptu speech, General Pinochet criticized nations and foreign representatives who believe they own the world and seek to introduce their ideas by pressure. He added that those countries send to Chile ambassadors who do not know the country and then make statements, which do not reflect the truth and hurt the country's dignity. Pinochet then affirmed that Chile is the only nation that has paid its debts on time, but in spite of this, some foreign publications are suggesting that assistance be withheld from the Chilean Government. He added that other countries are making assertions that Chile is not a democratic country, but the thing is that those countries understand democracy in another way. Pinochet further said that the military nature of the regime is also criticized, disregarding the fact that the Chilean military officers are not dunces. To attain the rank of general, Pinochet said, a Chilean officer must successfully take 12 courses.

[Pinochet recording on education of Chilean military officers indistinct]

During his impromptu speech, the chief of state affirmed that everyone must defend the Constitution which although not very good is a good shield with which to defend ourselves against Marxism-Leninism. He then said that the country is experiencing difficult moments, not because of real problems necessarily, but because of fictitious problems being created by a group of people and politicians who want to take everything without offering anything in return; they want power and the reins of government.

President Pinochet, his wife, and the retinue accompanying him during this 3-day visit to the 7th and 8th regions of the country, headed for the Chillan airport to return to Santiago at the end of this meeting with the community of Coihueco. They arrived in Santiago at 1800 [2200 GMT].

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CSO: 3348/781

PCCH WILLING TO SUPPORT PROVISIONAL GOVERNMENT

PY291317 Madrid EFE in Spanish 2343 GMT 28 Aug 86

[Text] Santiago, 28 Aug (EFE)--The Communist Party of Chile [PCCH] today stated that it is "willing to support a provisional government that has been reached through a consensus, a government that will replace the dictatorship, restore democratic rights, meet the people's demands for justice, and call a constituent assembly."

In a public statement, the PCCH "endorsed a multiparty political system and the restoration of human rights as established in the UN Declaration on Human Rights."

The PCCH denounced "Pinochet's evil plan" of seeking "to convince the nation and the international community that Chile is being threatened by the so-called Marxist threat."

The PCCH added that in order to implement his "evil plan," Pinochet has orchestrated "a show of arms caches allegedly smuggled into the country by the Manuel Rodriguez Patriotic Front, making his publicity apparatus work at full steam."

In addition, "a violent wave of repression aimed at all opposition sectors has been unleashed." This repressive wave is aimed at preventing the opposition from uniting and seeking "to consolidate the high command around him (Pinochet) and eliminate any resistance from the Navy, the Air Force, and the Carabineros to his aspiration to continue in power beyond 1989."

In the opinion of the PCCH, "today's alternative is not dictatorship or Marxism, or dictatorship or communism, but dictatorship or democracy," stating that the PCCH stands "for an advanced democratic system that will implement substantial changes in all state-owned institutions."

The PCCH also urged all Chileans "to continue participating in the struggles, especially in those scheduled for September, promoting civil disobedience and rebellion, and creating a state of ungovernability, using all possible means."

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CSO: 3348/781

PDC COMMUNIQUE REJECTS VIOLENCE, SEEKS DEMOCRACY

PY291432 Santiago Radio Chilena in Spanish 2300 GMT 28 Aug 86

[Text] The Christian Democratic Party [PDC] today reaffirmed that it rejects and condemns all groups, institutions, movements, or fronts that advocate or support violence or terrorist actions, according to a communique released by the PDC National Executive Board.

In the communique the PDC states that the people have recently learned of extremely serious events. It recalled that the government has reported the discovery of several arsenals of high-powered weapons, enough to equip hundreds of soldiers.

The communique indicated [illegible] totally and absolutely repudiates those responsible for such deeds. PDC Vice President Claudio Huepe, a former deputy, read some of the contents of his party's communique for Radio Chilena.

[Begin Huepe recording] 4. The discovery of arms as powerful and as abundant as has been reported is so serious that, irrespective of who is responsible, the situation must be clarified to the satisfaction of the people at large and no effort must be spared to accomplish this.

5. In order to assure credibility--both domestic and international--we propose the appointment of a commission of well-known personalities. The objective of this commission will be to report seriously and truthfully about these grave events to the entire nation. [end recording]

The communique adds that the fact that these arms were brought into the country shows that the government is incapable of dealing with terrorism, and goes on to say:

[Begin Huepe recording] 7. We reject and condemn once again all groups, institutions, movements, or fronts that advocate or support violence or terrorist acts. We hold them responsible for any future confrontation or war in the country.

8. We reiterate that our political alliances do not include those who advocate or support terrorist or violent acts.

9. We reiterate our decision to seek means and ways to lead us to a true national agreement based on a peaceful transition to democracy, as both the Democratic Alliance and the National Civic Assembly, each within its own sphere of action, have repeatedly proposed to the country. [end recording]

The PDC communique concludes by stating that this party repudiates any attempt to thwart Chile's return to institutional normalcy.

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CSO: 3348/781

SOCIALIST PARTY DENIES CRISIS IN MDP

PY301326 Santiago Radio Chilena in Spanish 2300 GMT 29 Aug 86

[Text] The Socialist Party Almeyda Faction, a part of the Popular Democratic Movement [MDP], has denied reports that the organization is facing a split. This denial is included in a note that was read to Radio Chilena by Raul Diaz, a spokesman of the party's Central Committee.

The note says that press reports have stated that the MDP is facing a crisis, and that these reports have allegedly been released by a member of the Socialist Party.

[Begin Diaz recording] The report states, among other things, that we have reached the extreme limit of our relations, and that we cannot continue in this manner within the MDP. In view of this situation, the Chilean Socialist Party wants to explain the following:

1. It is absolutely false that a member of the Central Committee of our party, or any authorized source, has released this report.

2. The report refers to opinions given by other MDP members who are not identified.

3. It is our party's policy, and that of its sources, to responsibly identify itself when expressing an opinion to the people, but this is not the case in the reports. [end recording]

The statement adds that the Socialist Party rejects the press reports which say that the situation has reached the extreme limits of abandoning the MDP. On the contrary, it states, that it is not leaving the MDP because the MDP represents the most important alliance within the strategic field, and that all efforts seek to continue strengthening it.

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CSO: 3348/781

INTERIOR MINISTER VIEWS OPPOSITION DECISION

PY302359 Santiago Radio Chilena in Spanish 1700 GMT 29 Aug 86

[Relay from Government House by Eliana Henriquez]

[Excerpt] Good afternoon. Interior Minister Ricardo Garcia has called William Thayer's and Juan de Dios Carmona's decision to join the National Labor Front, headed by Sergio Onofre Jarpa, a joint effort against violence and extremism. Thayer and Carmona are leaders of the Socialist Christian Movement.

The interior minister stated that this decision represents an acceptance of the call he made last week on a television network, to achieve unity among all those who want a democratic, sound, and free process.

[Begin Garcia recording] I would say that this decision to join the National Labor Front represents an acceptance of the call I made for the unity we all want, a desire to achieve peace in the process that Chile needs for its development, progress, and well-being.

In this regard, the government views favorably this decision to seek unity around a common principle, against violence and extremism. [end recording]

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CSO: 3348/781

CHILE

JARPA SETS OBJECTIVES OF NATIONAL LABOR FRONT

PY292311 Santiago Radio Chilena in Spanish 1700 GMT 29 Aug 86

[Excerpt] The National Labor Front is creating its own path, a Chilean path, without alliances with anti-democratic groups, and without connections to foreign governments or political organizations. Former Interior Minister Sergio Onofre Jarpa made these remarks when asked whether he would seek an agreement with the National Accord to begin a joint campaign to demand free elections in 1989.

Jarpa, the top leader of the National Labor Front, has stated that we are now organizing civilian support for future political actions. We must worry about electing a congress, electing a president of the republic, and organizing the support of the citizens for the new government.

With this objective, we are laying the foundation for this civilian organization, and we hope that it will have the support of most Chileans, Jarpa stated.

Asked whether the National Labor Front will seek rapprochement with the National Accord in order to demand a constitutional amendment allowing free elections in 1989, the former interior minister of the current regime stated:

[Begin Jarpa recording] We are creating our own Chilean path, with no alliances with anti-democratic groups, and with no connections to foreign governments or to foreign political organizations. Thus, anyone can join this Chilean path. We know what we must do and we will continue to do it firmly and resolutely in order to achieve our objectives. But as I said, we have our own plan and we will continue to develop it. We do not need alliances with people who seek different objectives from ours. [end recording]

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CSO: 3348/781

CHILE

LUIS CORVALON ON WAYS, FORM OF STRUGGLE

London THE AFRICAN COMMUNIST in English No 105, 2nd Quarter 1986 pp 81-85

[Article by Luis Corvalan]

[Text] The powerful popular struggle that swept Chile in September 1985 shook Pinochet's dictatorship to its foundations and generated widespread response throughout the world. The fascist regime is going through a very difficult period. The days of protest helped to create a new situation. Pinochet has now been abandoned by most of his right-wing friends. Differences are surfacing among members of his cabinet and there is quarrelling among the military, who are trying to find a way out of the current impasse.

The coup of September 1973 was staged under the pretext of "saving" Chile from communism and from an economic crisis. In actual fact, it overthrew a democratic government that was building an independent economy, successfully overcoming the difficulties created by imperialism and internal reaction. Twelve years later one can state that the dictatorship has not only failed to destroy the Communist Party but that the party has turned into the most militant force of the opposition, a force whose influence is growing, while the fascist junta is disintegrating before our very eyes. Nor is there any doubt that it is the dictatorship which has plunged our country into economic crisis by applying the neo-monetarist policy of the Chicago School and submitting to the dictates of the International Monetary Fund. More than 30 per cent of our labour force are unemployed; real purchasing power has diminished drastically and so has production for the domestic market. Trade sales have dropped; the external debt, which was no more than four billion dollars twelve years ago, is now 23 billion. During Pinochet's rule the country has lost some 40 billion dollars merely due to the growing discrepancy between the prices for the products it sells to the United States and other developed capitalist countries and the prices it pays for their goods.

Today, Chile lacks the international independence it enjoyed under Salvador Allende. The structural crisis is more acute than ever and demands many radical transformations, above all an essential change of government. Our party therefore advocates the establishment, on the basis of a broad coalition, of a progressive democratic government capable of putting into effect the necessary anti-imperialist transformations, introducing democracy throughout the government structures, including the armed forces, reviving the economy and boldly tackling the problems that the Chilean people face. This government will lay the foundations for a subsequent transition to socialism.

Step Forward

Should a clearly bourgeois-oriented democracy replace the dictatorship, this will also be a step forward compared to the current fascist regime, although a government of this type will be unable to lead the country out of the crisis, let alone meet the urgent needs of the masses. Nevertheless, the CPC will support an administration of this type in all its moves consonant with the genuine interests of the country and of the people. At the same time, we will continue to fight for more profound transformations and for advanced democracy.

Let us recall that Salvador Allende always distinguished between enemies and opponents. The latter he saw as those who held different but not antagonistic positions. Today, Pinochet and his clique who have been and still are trying to destroy the CPC, to put an end to communism and to physically exterminate the Communists are our enemies. Our opponents — according to Allende's classification — are those whose views both differ from and coincide with ours. They do not share our commitment to socialism, but we are united with them by our common objectives for the immediate future and for the medium-term prospect. These are forces that are mostly progressive and that fight against the dictatorship. We are acting jointly with many of them to uphold the interests of working people and the nation to secure the soonest possible return to democracy.

Our official relations with some opponents of this type are less favourable. We are holding meetings and discussions with them in a spirit of respect. However they are making impossible demands upon the Communists. They want us to give up our political course and turn into an appendage of the Democratic Alliance (DA)[1] and of its new right-wing allies. Publicly and privately, we are being urged to renounce force in the struggle against the dictatorship, to abandon some forms of our struggle, to use only peaceful methods. There are insistent pleas that instead of pursuing our own policy, we follow the dicates of other parties, above all the Christian Democrats. There are also demands that we keep a low profile because, it is claimed the presence of the Communist Party in the foreground may prejudice the return to democracy.

Chile's Communists believe that a decisive confrontation between the people and the dictatorship is the most likely prospect. As noted in the report of the Political Commission to the latest plenary meeting of the party's Central Committee,

> "we believe that it will take the form of a mass uprising involving the entire population, most of the political and social forces and perhaps part of the Armed Forces opposing the dictatorship. We refer to a state of general rebellion which will truly paralyse the country: popular action in the key urban centres with the decisive participation of the industrial proletariat, students, middle strata and peasants. This action must be backed by effective blows to paralyse the dictatorship and help to accelerate the moral and political disintegration of its repressive forces. This process should culminate in the capture by the masses of the main political centres of the country."[2]

Nationwide Strike

On the other hand, the mobilisation of social forces launched by the National Headquarters of Chilean Workers is continuing, and the ideas of active non-violence and civil disobedience are making headway in the parties of the Socialist Bloc[3] and the DA. There is also broad support among the opposition for the proposal of a nation-wide strike in all spheres of activity, a strike that will make it impossible for Pinochet to control the country.

In the opinion of the CPC, our view about the probability of an uprising, as well as the assessments and ideas quoted above, contains all major elements necessary for the elaboration of an original course that cannot be schematically identified as either "violent" or "non-violent ". In practical terms, this course can draw close to either option; it can be more or less "violent" or more or less "non-violent", depending on the scope of the revolutionary movement, on the resolve and militancy of the masses, on the changes that may occur in the behaviour and thinking of the military and on the stand they take at critical moments.

There is no Chinese wall separating peaceful and armed forms of struggle. They are not antithetical or irreconcilable; on the contrary, they are mutually complementary. We are speaking of an uprising and popular action. Others raise the question of civil disobedience and of making the country ungovernable. What is the essential difference here? If there is a difference, it is one of nuances. We see both approaches as expressions of the resolve to fight against the dictatorship from revolutionary positions. To a certain degree, all participants in social processes learn from one another, absorb and master the experience born of practical action by the masses.

The Communist Party believes that the outcome of the present situation will be close to our forecasts, although we must not discount other possibilities either. It is only the possibility of reaching agreement with Pinochet that we fully reject as illusory. At the same time, it would not be impossible to reach such agreement with the armed forces on condition that the tyrant be removed.

The struggle of the masses and concerted action by all opposition forces are now the basic, central and decisive elements. It is this struggle and this action that can put an end to the dictatorship. They are the principal factor behind the aggravation of the profound crisis of the regime. They have been and will continue to be the basis for the correct development of our movement no matter how conditions may change in the immediate future.

Lenin noted that the Russian proletariat could not have been victorious without revolutionary violence. But he was equally, if not more forthright when he added that

> "revolutionary violence was a necessary and legitimate weapon of the revolution only at definite stages of its development, only under definite and special conditions, and that a far more profound and permanent feature of this revolution and condition of its victory was, and remains, the organisation of the proletarian masses, the organisation of the working people that constitutes the best stimulant for the revolution, its deepest source of victory."[4]

We are guided by this principle. In other words, we hold that the movement of the masses is the most important thing, and that the use of violence, and its degree and advisability depend on specific conditions. This means that it is impossible to eliminate tyranny without a struggle which involves all the people; the national uprising which we consider the biggest probability will actually materialise only when, objectively, there is no other way out, when the people realise this and accept it as inevitable.

The choice facing every Chilean man and woman is not whether to use violent or peaceful methods but whether to fight or not to fight against tyranny.

Violence is inherent in all societies where antagonistic classes exist. The exploiters direct the brutal force of violence against their own people in order to protect their self-serving interests and to resist the liberation movements and the class actions that threaten their profits and privileges. In turn, the peoples are forced, at certain junctures, to resort to violence if they see no other way of throwing off the yoke of oppression. This has always been the case — from the era of Spartacus and his forerunners to this day. Neither the Fench Revolution, the most important of those led by the bourgeoisie, nor the October Socialist Revolution, the turning point to socialism in human history, was an exception.

Who would deny these facts? Who can defend and support violence that is aimed against the people and criticise the people when they resort to violence in the struggle against a fascist regime? After all, those who do are making it clear that they do not reject or condone violence as such: they decide the matter depending on which class resorts to violence and who it is aimed against.

Notes

1. The DA comprises the Christian Democratic, the Social Democratic and the Radical parties, as well as the right-wing Republicans, part of the former Socialist Party and the Liberal Movement.
2. *Partido Comunista de Chile, Boletin del Exterior, No. 71 (extraordinary)*, 1985, p. 37.
3. The SB includes part of the Socialist Party, the Left Christians, the MAPU-Movement of United Popular Action and part of the MAPU Workers' and Peasants' Party.
4. V.I. Lenin, *Collected Works*, Vol. 29, pp. 89-90.

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CSO: 3300/86

BISHOP REFUSES TO HOLD TE DEUM

PY292205 Paris AFP in Spanish 1927 GMT 29 Aug 86

[Text] Concepcion, Chile, 29 Aug (AFP)--It was officially reported here today that the bishop of Concepcion, Jose Manuel Santos, has cancelled for the third consecutive year the Te Deum that was supposed to be held at the Concepcion Cathedral on Chilean independence day, which is celebrated on 18 September.

The religious ceremony to give thanks for Chilean independence from the Spanish crown is traditionally held in all main churches of the country but in Concepcion, there will only be a eucharist of reaffirmation of the Catholic faith.

In instructions to his parish priests, Bishop Jose Manuel Santos noted that all the faithful, without distinction, will be invited to the service, and that no seats will be especially reserved for government officials as is done at all Te Deums, where government representatives occupy special front-row places.

In the Te Deums that are held in Santiago every 18 September the official government delegation is headed by the president of the republic, who is followed by all his ministers.

The tradition of holding Te Deums, which were almost exclusively attended by government authorities, has been broken in the past few years by Bishop Santos and other bishops from provincial dioceses in view of the cool atmosphere and frequent clashes that characterize the relations between the Chilean church and the military regime headed by President Augusto Pinochet.

/6091
CSO: 3348/781

GOVERNMENT TO STUDY REOPENING RELATIONS WITH CUBA

Bogota EL ESPECTADOR in Spanish 12 Aug 86 pp 1-A, 11-A

[Article by Carlos Murcia]

[Excerpts] President Barco's government will open a debate in Congress today on the proposed Statute of Guarantees for the Opposition. It will soon begin a number of important activities in various economic, social, and political fields.

It will advocate many reforms in Congress including reforms of the state of siege so that it is applied only when there is a serious national disturbance. Other reforms deal with the general outline of the tax and budget system, the dismantling of Article 120 after agreement by the parties, reorganization of the public administration and the foreign sector, and urban and agrarian reforms.

It will also explore the possibility of reestablishing relations with Cuba in the near future, according to political sources.

Relations with Cuba

A decision on the reestablishment of relations with Cuba would only be made after carefully evaluating all aspects of the situation to see if the factors that led to the break 6 years ago under the Turbay Ayala government still exist.

Political sources indicated that the first steps toward a rapprochement between the governments of Colombia and Cuba would be taken through a private visit to Havana by the former minister of government, Jaime Castro, in response to an invitation from Fidel Castro. Castro has also invited former president Lopez to Cuba; he will go this week. Nobel Prize winner Gabriel Garcia Marquez will also attend that informal meeting.

In his recent meeting with foreign correspondents, President Barco did not discard the possibility that relations will be reestablished soon as part of his pluralistic foreign policy. However, he did not commit himself in a concrete announcement.

It was learned that there have already been some important gestures but they were not definitive. Negotiations with Foreign Minister Julio Londono Paredes could begin very soon although there has been no official report.

Former minister Jaime Castro went to the United States Saturday. He will then continue on to Cuba, apparently following a private itinerary and taking a vacation. However, he will also go to the United Nations for negotiations.

The foreign policy of the Barco government will be based on a broad political consensus. Therefore, the Foreign Relations Commission will meet more regularly. Yesterday Senator Luis Carlos Galan issued a communique on a talk he held with Minister of Government Fernando Cepeda in which they discussed the desirability that all political sectors participate in that.

President Barco visited the Ecuadoran Embassy to participate in the commemorative ceremony for Ecuador's national day. While there, he spoke with reporters about the situation of public order which, he said, has its ups and downs. He also discussed the possibility of gradually lifting the state of siege based on developing circumstances and alluded to foreign policy. He indicated that there is no dispute with Venezuela, just a delimitation of marine and submarine areas.

He also indicated that the task of selecting officials and installing them in the government is progressing. He stated that he will not appoint Conservative governors in view of the request made by the National Directorate of that party.

7717
CSO: 3348/761

1985 CENSUS REVEALS POPULATION TOTALS 27,900,000

Bogota EL TIEMPO in Spanish 7 Aug 86 p 3-B

[Text] Colombia "officially" has 27.9 million inhabitants and 5.9 million housing units. There are only 5 more women than men per 1,000 and 5.9 percent of the population is older than 60, according to the "general census summary" released by DANE [National Administrative Department of Statistics].

DANE issued the following report:

DANE has released the publication "General Summary of the 1985 Census" based on the final results of the 15th National Population Census and the Fourth Housing Census carried out last October.

There are 27.9 million inhabitants in Colombia and 5.9 million housing units. Detailed information on the census can be obtained from the data banks of DANE. Below are some statistics from the summary which we considered interesting.

The rate of growth of the population for the period 1973-1985 is 1.7 percent. During the period 1964-1973, the rate of growth was 2.9 percent.

The distribution of the population is 67.2 percent in the main municipalities (urban area) and 32.8 percent in the rest of the country (rural area). In the 1973 census, that distribution was 59 percent and 41 percent, respectively.

About 49.5 percent of the Colombians are men and 50.5 percent are women.

Some 11.9 percent of the population is younger than 5 years of age and 5.9 percent is older than 60.

The school-age population (between 5 and 24) represents 53.1 percent of the total population.

About 35.8 percent of the population reside in a different city than they were born in.

The rate of illiteracy among people older than 10 is 12.2 percent.

About 25 percent of the economically active population of the country are laborers and migrant workers. Some 30.6 percent are white-collar workers, 24.5 percent self-employed workers, and 3.7 percent employers. The rest are unpaid workers (5.9 percent) and domestic workers (5.7 percent).

Housing

Some 56.6 percent of the housing units have all public services (energy, water, and sewage system) and 17.7 percent do not have any.

About 59.2 percent of the housing units have sewage systems but 23.3 percent do not have sewage systems, septic tanks, or latrines.

Some 29 percent use electricity as their source of energy for cooking, another 29 percent use wood, 18.3 percent use propane, 13.2 percent use kerosene, and the rest use cocinol (6.8 percent) and coal (2.8 percent).

Some 70.8 percent of the housing units have water from aqueducts, 10.8 percent from wells or cisterns, 15.1 percent from rivers or streams, 1.5 percent from tankers, and 1.7 percent from rainwater.

This information and information on fertility and birth rates are in the mentioned publication, broken down by region, department, intendance, and commissariat.

7717
CSO: 3348/761

HONDURAS

DIAZ VIEWS PROTOCOL TREATY WITH U.S.

San Pedro Sula TIEMPO in Spanish 25 Jul 86 p 2

[Text] Tegucigalpa--The almost permanent presence of U.S. troops in Honduras was legalized yesterday when the National Congress, after a single debate, passed the additional protocol to the Military Assistance Treaty with the United States. The protocol deals with the jurisdiction of the penal courts over American troops, which have been stationed in this country since 1982.

The instrument, which was signed on 20 May 1985 between former Foreign Minister Edgardo Paz Barnica and Ambassador John Dimitri Negroponte in Washington, was passed with only eight deputies voting against it.

Deputy Efrain Diaz Arrivillaga asked that Congress delay the approval of the protocol and request a review of military relations with the United States.

He warned of the danger of "legalizing" the presence of American troops in Honduras, although the Constitution stipulates that foreign troops may only pass through the country in transit, and may not be stationed here permanently.

Carlos Montoya, who defended the approval of this protocol, said that Honduras must prepare itself militarily because the Nicaraguan Government "is expansionist."

The document states that "the authorities shall have jurisdiction over U.S. personnel in Honduras with respect to crimes committed in this country which are punishable according to its laws."

The United States "shall also have the right to exercise over U.S. personnel the penal and disciplinary jurisdiction provided for in its own laws."

The United States will also have exclusive jurisdiction over its personnel in regard to security-related crimes, such as treason, sabotage, espionage, or the violation of any law related to national defense.

The National Congress also approved a protocol a few months ago concerning the repair and maintenance of ports, airports and other military facilities used by the United States in the ongoing military maneuvers it is conducting on Honduran territory.

8926
CSO: 3248/610

RENDON, MONTOYA CHALLENGE LOPEZ ON CONTRA ISSUE

Presence Unrefutable

San Pedro Sula TIEMPO in Spanish 11 Jul 86 p 3

[Text] Tegucigalpa, 9 July--A member of President Jose Azcona's cabinet denied assertions by Honduran Foreign Minister Carlos Lopez Contreras to the effect that there are no counterrevolutionary forces on Honduran soil. The cabinet member said, "No matter how much they try to deny it, the Contras exist and are camped out on Honduran territory."

Lopez Contreras maintained yesterday that the Green Berets will not be allowed to be here to train the anti-Sandinist rebels, "because Honduras does not authorize the operations of the counterrevolution."

Nevertheless, Minister of Culture and Tourism Arturo Rendon said today that the presence of the Contras in Honduras "is a fact that we cannot ignore, and trying to hide it is like trying to hide the sun with your fingertip."

The high-ranking official contended that the Nicaraguan insurgents "have done a lot of harm to this country, and logically, no matter how much they try to deny it, the Contras exist and are camped out on Honduran territory."

The presence of the anti-Sandinist forces on Honduran soil has been denounced repeatedly by residents and coffee growers in the eastern department of El Paraiso, which borders on Nicaragua.

Rendon said that it would be "very risky" to predict what will happen to Honduras if the Contras do not achieve their objective after receiving the $100 million in assistance from the U.S. Government.

He said, however, that "we cannot ignore the latent danger" involved in the presence of three armies in Honduras (the Honduran, U.S., and Contra armies), "which could at any moment bring serious consequences for the Honduran nation." (Taken from DIARIO LA TRIBUNA of Tegucigalpa)

Neutrality Objective

San Pedro Sula TIEMPO in Spanish 11 Jul 86 p 3

[Text] Tegucigalpa--The president of the National Congress, Carlos Montoya, asserted that the Honduran Government is tolerating the presence of anti-Sandinist rebels on national territory "for humanitarian reasons."

Montoya's statement contrasts with Foreign Minister Carlos Lopez Contreras' denial that the government is allowing the presence of the rightist rebels supported by the United States.

"It is a fact, they are there," insisted the president of Parliament, contradicting Lopez Contreras' denial of the Contra presence in Honduras. The U.S.-supported rebels control a broad swath of Honduran territory bordering on Nicaragua, he noted, where they have installed what they call the "new Nicaragua."

Coffee growers in the eastern department of El Paraiso report that the Contras control 14,000 square kilometers of territory along the border, where they have set up their camps.

Montoya contended that the government is not expelling the Nicaraguan anti-Sandinists because "they are going to certain death in Nicaragua."

The politician expressed the hope that with the $100 million in aid they have received, the Contras will leave Honduras and will go fight in their own country.

He argued that the Honduran Government has a policy of "remaining neutral" in the Nicaraguan conflict, although he admitted that the Contras are in Honduras.

The $100 million is undeniably intended to promote a war in Nicaragua between the Contras and government troops, he stated.

The president of Congress made statements to a group of journalists at the conclusion of a meeting with a high-ranking official of the Agency for International Development (AID) who is assigned to Central America.

Montoya said that the official had stated that Honduras "is a loyal ally (of the United States), and we have problems because of that alliance" such as the massive presence of refugees from neighboring countries and of the Contras.

He reported that the official promised him he would try to maintain the present level of U.S. cooperation with Honduras.

8926
CSO: 3248/609

PAPER VIEWS CONTRA AID, U.S. POLICY

San Pedro Sula TIEMPO in Spanish 9 Jul 86 p 6

[Editorial: "New Ambassador to Wonderland"]

[Text] Honduras could very well be a wonderland, though without the romanticism of the land visited by Alice. Here everything is magic, unreal, not to mention the ugly word /lies/ [word enclosed in slantlines printed in boldface]. Things are and they aren't; the real is confused with the imagined.

Honduras is a "free, sovereign and independent" country. Free, but with death squads, with most of the population unemployed and having nothing to put on the table. Sovereign, but occupied by three armies: the home army, the U.S. Army, and the Contras. Independent, but subject (for economic reasons and due to denationalization) to the dictates of the Reagan administration.

When the U.S. Government, based on its own will and sovereignty, decides to change its ambassador to another country, it always follows international protocol. It has not done so with Honduras in the case of Ambassador Ferch, however. Rather, it took action, and we read about it later in the newspapers. Any other country would consider that an insult, without denying a government's absolute right to change its diplomatic representatives.

We know perfectly well what this behavior by the United States means. It simply reflects a lack of respect and consideration, because we Hondurans do not demand respect. This country--with its governments--is a country of pretense and deceit, a country with no decorum or dignity.

We know that the new U.S. ambassador to Honduras, given the circumstances under which he has been sent, will not be an ambassador who takes interest in Honduras and works toward better Honduran-U.S. relations and development. He will be an ambassador in Honduras for the Contras. For the war launched from Honduras, if possible with Central American blood, particularly Honduran blood, to attack the revolutionary government of Nicaragua.

Any other country, faced with these events, would react accordingly. To even the accounts, it would return the insult by taking a logical diplomatic action: either delaying the approval of the new ambassador indefinitely, no matter who he is, or simply rejecting him out of hand and waiting for a new proposal.

It is not just a question of dignity, but one of political convenience as well. In view of such self-abasement and such manipulation, it is time we at least sent a signal that we are not the world's spittoon. And therefore, we are not willing to follow indications and policies that do not take into account the interests of the Honduran nation, but are merely the unilateral whims and bellicose follies of the Reagan administration.

We will soon find out, although there may be digressions that do not head in that direction, but rather keep us in the magic world of wonderland.

Proof? The foreign minister of the republic, Carlos Lopez Contreras, says that Honduras will not allow the arrival of the Green Berets to train the Contras, because there are no Contras in our country. As a syllogism, it is perfect. It is also a perfect lie.

Right now the Congress of the United States is preparing to debate this issue, whether to send 250 or more U.S. military advisers to train the Contras who are ensconced in camps in Honduras, with the official protection and support of the Honduran government.

This contradicts what the foreign minister says, that the government "could not allow that because Honduras does not authorize the operations of the counterrevolutionaries." A reverse image of the world. A world financed with about $500 million, managed by the CIA, for its Contra army, to which an ambassador is now being sent from Washington.

8926
CSO: 3248/611

CONTRA PRESENCE AUGMENTS TERRORIST THREAT

San Pedro Sula TIEMPO in Spanish 25 Jul 86 p 6

[Editorial: "Thoughtless Actions Result in Terrorism"]

[Text] As we predicted, one of the adverse effects of the presence of Nicaraguan counterrevolutionaries in Honduras, now that they are receiving massive economic and military support from the U.S. Government, will be the unleashing of terrorism in our country.

We are already seeing this happen in the capital of the republic, where last Wednesday a residence was machine-gunned--right in downtown Tegucigalpa. It happened at about 2300 hours, when the high command of the Nicaraguan Democratic Front (FDN) was holding a meeting there. The FDN is responsible for carrying out the CIA-directed war of the "Contras."

The events are too fresh to be able to draw definitive conclusions about the origin of the attack, which resulted in just a few bullet holes in the walls of the residence, along with the impact of some grenades, apparently smoke grenades. A few windows were broken, some automobiles were damaged, and maybe a few people were slightly injured.

According to the first news reports, the occupants of the house were no less than the top leaders of the Contras.

No one can ignore the seriousness of this event. Terrorism, no matter where it comes from, is a cruel and brutal scourge for society, and no one with any human compassion or a modicum of intelligence can or should justify it.

On the contrary, it deserves universal repudiation, and that is precisely what is being seen in the Honduran nation: a decisive, consistent condemnation of these methods of political struggle. Once such practices begin, they destroy the lives, property, and even the moral values on which society is based. They bring with them as an intrinsic element the seeds of indiscriminate repression, chaos, and the rule of violence.

In the experience of Central America and Latin America, terrorism acquires its own dynamic. As a result, after a while no one even remembers how it started or what causes engendered it. It even ends up becoming a system, as has happened now in Guatemala, El Salvador, and Chile, and as happened once in Argentina.

In quite a few cases, terrorism has become a business, and society remains defenseless, with no real guarantees, at the mercy of the system that is attempting to take over to provide social and political stability under a criminal order that subjugates the very minds of individuals. That, precisely, is the ultimate application of the national security doctrine.

As far as Honduras is concerned, for the moment we know the cause of the terrorism that is emerging here more quickly than expected: the presence of the Contras, who with the complicity of civilian and military authorities are spreading out over a vast stretch of Honduran territory along the border with Nicaragua. Their operations are headquartered there, but they are spreading like an oil slick and taking over cities such as our capital and even San Pedro Sula.

This new ingredient of social dissolution, added to the very serious social and economic problems that already plague us, is turning our country into a powder keg. Analogies are never exact, but at the rate we are going, we will soon see the Lebanonization of Honduras.

In view of the specter of war, the terrorism that has been implanted here, and the widespread poverty, where will it all end? What is the immediate and long-term future that awaits Hondurans, especially our children and youths? How can we meet the challenge of underdevelopment, with its components of ignorance, illness, hunger, and unemployment?

As the wise old saying goes, he who sows winds harvests storms. It would appear that this is the only sure harvest that Honduras can expect in this unfortunate situation.

8926
CSO: 3248/610

FLORES DENIES DESTABILIZATION CHARGES

San Pedro Sula TIEMPO in Spanish 12 Jul 86 p 4

[Text] Tegucigalpa--Florism leader Carlos Flores Facusse denied yesterday that his group is trying to destabilize the government of Jose Azcona Hoyo by criticizing the massive dismissal of members of that faction from the public administration.

Carlos Montoya said Thursday that when the former Suazo Cordovists denounced the dismissals of their fellows and complained of persecution, they were engaging in an alleged campaign to destabilize the government.

Flores Facusse denied Montoya's assertion, arguing that it is merely a "pat justification" in response to criticism of the government.

According to the former minister of the presidency under the administration of Roberto Suazo Cordova, every time a finger is pointed at the current administration, it will respond that there is a destabilizing campaign.

He said that the dismissal of members of his group "is like tightening the screws so that they will bow their heads or give in to the official line."

The politician described as erroneous the government's attempt to justify the dismissals by arguing that in the past the Suazo Cordovists practiced political partisanism by firing Liberals from other groups.

He said that it is not true that the Azconists are behaving the same as the previous administration, because the people "voted against that."

The Florist faction, mostly made up of former Suazo Cordovists, has denounced the persecution of its followers and their dismissal from public administration posts throughout the country.

Under the Suazo Cordova government of which Flores Facusse was a member, it was customary to allege that destabilizing plans were afoot whenever errors in public administration were pointed out.

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PALMA BLAMES GOVERNMENT POLICY FOR VIOLENCE

San Pedro Sula TIEMPO in Spanish 29 Jul 86 p 4

[Text] Tegucigalpa--The top leadership of the Christian Democratic Party blamed Jose Azcona Hoyo's administration for the acts of violence that have taken place in the capital as a result of the presence of U.S.-supported Nicaraguan counterrevolutionaries.

The president of the Christian Democrats, Ruben Palma Carrasco, told TIEMPO that "this is the responsibility of the government and Honduran foreign policy, which is dependent on the United States."

The politician stated that the government and even the National Congress "have not taken preventive measures to avoid this," and the lives of the Honduran people are endangered by this situation, according to Palma.

Last Wednesday night a group of unknown assailants attacked a residence in the Lomas del Guijarro neighborhood with a hail of machine gun fire and some bombs. At the time the regional leaders of the anti-Sandinist Nicaraguan Democratic Force were holding a meeting in the residence.

Palma remarked that Honduras' foreign policy of consenting to the presence of the Contras "endangers the people of Honduras."

He argued that the government should "adopt the patriotic decision of expelling the irregular Nicaraguan troops and eliminating the U.S. presence."

The politician said that because of the violent scenario that is unfolding in the capital, he is concerned that repressive measures may be unleashed against peasant, community and political leaders, breathing new life into the policy pursued by the former chief of the Armed Forces, Gen Gustavo Alvarez Martinez.

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REINA BROTHERS BLAMED FOR M-LIDER FACTION DEMISE

San Pedro Sula TIEMPO in Spanish 12 Jul 86 p 4

[Text] Tegucigalpa--The Revolutionary Democratic Liberal Movement (M-LIDER) dissolved after the election from which President Jose Simon Azcona Hoyo emerged victorious.

Grassroots activists and leaders blame the Reina brothers, Jorge Arturo and Carlos Roberto, for the failure of this social democratic movement.

The Reina brothers began by immobilizing M-LIDER after the elections, and ended up becoming involved in Mr Azcona Hoyo's government, an unexpected move.

Constructive Opposition?

Under the administration of Roberto Suazo Cordova, Carlos Roberto and Jorge Arturo Reina took the lead in the opposition, calling for peace, democracy, non-intervention, and respect for national sovereignty, said the leaders.

Since Jose Azcona succeeded Suazo Cordova, none of the sins of that administration has been repeated; however, the anti-Sandinist army has grown in number and weaponry, U.S. troops remain on Honduran soil, and $100 million is on the way for the Contras, they added.

Ambassador to The Hague

Leaders and activistis of M-LIDER told TIEMPO that Carlos R. Reina compromised the movement by accepting the Azcona government's appointment as ambassador to The Hague.

The Central Executive Council of the Liberal Party (PL) had the least to gain from having M-LIDER withdraw its people from the PL, as M-LIDER did better at the polls than the Innovation and Unity Party (PINU) and the Christian Democrats.

Assembly?

Members began to desert the movement and go over to other internal factions of the PL or to other political forces that were being formed, because the national leaders of the movement never wanted to convene the announced national assembly.

The people in the movement were furious because when it came time to distribute seats in the National Congress, Azcona and Callejas took the lion's share.

Grassroots leaders and activists demanded that the national assembly be convened so that M-LIDER's role within the Liberal Party could be defined. The membership was divided between those who wanted to form a new party and those who wanted to remain in the PL.

So far the national leadership has been unable to explain to the rank and file how M-LIDER intends to participate in the PL internal elections. In the departments of Cortes, Yoro and Atlantida, some have given up waiting for such instructions. Now they are working to merge M-LIDER with the PINU within the social democratic movement.

Liberal Federation

In the view of the M-LIDER members who are working on a merger with the PINU, Jorge and Carlos Roberto Reina went too far when they participated in the meeting of Central American and Caribbean liberal parties, which was held in Tegucigalpa. That assembly culminated in a vote of confidence for the Independent Liberal Party of Nicaragua, which several grassroots leaders of M-LIDER contend is the internal front of the Contras in Nicaragua.

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HALL CLAIMS AZCONA SUPPORT

San Pedro Sula TIEMPO in Spanish 19 Jul 86 p 4

[Text] Tegucigalpa--William Hall Rivera, who aspires to be chairman of the Central Executive Council of the Liberal Party (CCEPL) and is private secretary to the president of the republic, asserted that he enjoys "the full support of President Jose Azcona Hoyo."

Hall Rivera also contended that the president has not released him or the minister of the presidency, Celeo Arias Moncada, from their duties so that they can engage in political activities.

The politician, who was questioned by the deputies who are Azcona's own allies about his alleged indifference toward them, responded that "it is absurd" to say that he is campaigning on his own behalf by giving out subsidies.

He admitted, however, that he has given subsidies to municipal mayors "in his office" without pressuring for community projects.

This same practice was used under the former government of Roberto Suazo Cordova for the purpose of political proselytizing with the taxpayers' money.

Hall Rivera, who is also a deputy for the department of Yoro, told groups of journalists that "I am close to the president," and that "we enjoy the full support of the president."

He also stated that President Jose Azcona Hoyo "will not interfere in the internal politics of the Liberal Party" because of the disastrous effects of Suazo Cordova's past participation.

According to Hall Rivera, he did not put himself forward as a candidate for the chair of the CCEPL, but rather was nominated by "a group of friends" who feel that he can "be a unifying force among the Liberals."

He asserted that he is not "a desperate, anxious candidate," and in a clear reference to Carlos Montoya, he commented that trying to trip up one's rivals "is something that people do when they do not have confidence in their own worth."

He maintained that President Azcona has not released Celeo Arias and him to engage in politics because they are members of his government, although the leader did say a few months ago that he would not allow the administration to get involved in politicking.

He said that Azcona has authorized Arias Moncada to go down south to campaign during his off hours, just as he himself has been allowed to go to various parts of the country.

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HERRERA CACERES ANNOUNCES RESIGNATION FROM UN POST

San Pedro Sula TIEMPO in Spanish 11 Jul 86 p 3

[Text] Tegucigalpa--Dr Roberto Herrera Caceres revealed during an interview yesterday that he has resigned from his post as Honduran ambassador to the United Nations because he disagrees with the top officials of the Foreign Ministry regarding the execution of foreign policy.

Herrera Caceres confirmed that on the 31st of this month he will be leaving the UN, and he asked the radio journalists from this capital city not to press him any further on the causes for his resignation until he has actually left the job.

The diplomat, who was ambassador to the European Economic Community (EEC) before taking the post at the United Nations, said that during his 10 years of work in the foreign service he based his actions on the principles of the government's policy.

"Our foreign policy, from the standpoint of the objectives it pursues, the ends and principles it upholds, and its constitutional basis, is accepted by all Hondurans," he said, alluding to general postulates such as maintaining peace and security and cooperating with other countries, as well as respect for the self-determination of other states.

"With regard to the reasons for my decision, in the interests of confidentiality and decorum I prefer not to reveal them for the present. Thus, my superiors have been apprised of the situation, and the only thing that matters is that I have made the decision," he added.

He explained, however, that the difference between him and the Foreign Ministry "may have arisen not in connection with the formulation of foreign policy, but rather in terms of its execution; (perhaps) some (of my) points of view are not shared by those who are currently implementing foreign policy."

Herrera Caceres stressed that each person has his own point of view "on how best to fulfill his duties," and he asked at least for "benevolence" to allow him to wait until 31 July to provide "more details."

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COMMENTARY ADVISES AGAINST USE OF PUBLIC FUNDS

San Pedro Sula TIEMPO in Spanish 21 Jul 86 p 6

[Editorial: "Strike Solution Must Not Harm the People"]

[Text] The negotiations between the El Mochito Workers' Union and the transnational Rosario Resources Corporation have reached an impasse after a month-long strike, and the General Central Organization of Workers (CGT) is threatening to call a general strike in support of the miners.

The miners' union insists that the government should take responsibility for paying 2 million lempiras or more in compensation to the strikers because the collective bargaining contract was not denounced in 1985 (under the previous government).

The government, reasonably enough, refuses to make this outlay, considering that, first of all, this is a matter between the Rosario Resources Corporation and the union, not between the state and the workers. Moreover, the miners' union is entirely responsible for not having denounced the contract.

The workers of El Mochito, according to some of their leaders, contend that they have every right to receive the state subsidy because their strike was declared legal by the Labor Ministry. Of course that is not true. The strike may be legal, as all the law's requirements have been met to declare it legal, but that does not involve the government in the dispute.

Furthermore, the fact that the government is mediating in the conflict does not oblige it to pay any subsidy or other compensation to the workers. It does show, however, that the government has a legitimate interest in resolving a problem that the parties directly involved have been unable to solve, because that would create a climate of understanding and public order.

Unfortunately, in the last few years the trend toward expecting "big brother government" to pay all the bills (or repair all the damages) in labor disputes, primarily with the transnationals, has been on the rise. Indeed, the previous government did "solve" problems of this type by intervening in this manner, more for political reasons than for considerations of social justice.

These precedents, exemplified by the solutions that were devised for the problems with D'Antoni Hospital, United Fruit Company, and Texaco, among others (which TIEMPO condemned at the time because they reflected an irresponsible attitude on the part of the government), are now even more pernicious because there is an movement afoot to make them established policy in dealing with social demands.

If the government of President Jose Azcona de Hoyo yields to this pressure, which could well be the fruit of an under-the-table understanding between the union and the corporation, it had better be prepared to face similar or greater demands in future labor conflicts between unions and employers of all types.

This would come at a time when the public treasury is being nibbled away on all sides and the fiscal gap is widening, which will have very dangerous consequences if it is not stopped soon. In other words, everyone wants to take money out of the public coffers, as if these revenues were unlimited and everlasting.

Unfortunately, the painful truth is just the opposite: The treasury will receive less than expected from coffee exports and the projected savings from lower international oil prices. In addition, the demagoguery of the previous government has made necessary major outlays for teachers, doctors, unions, and other labor associations; and the present demagoguery of the National Congress has been equally to blame for irresponsibly distributing tax revenues and lowering the rates charged for public services.

The problem between the El Mochito union and Rosario is difficult to solve satisfactorily, because at this time the business is operating at a loss. It is a fact--although it may seem absurd--that the transnational could declare bankruptcy and make good money in the United States by obtaining an exemption from income taxes.

Thus, it is a question of seeking a solution that will not cause more harm to the workers but will also not be at the expense of the state, meaning the people of Honduras.

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GOVERNMENT SILENCE QUESTIONED AFTER ICJ SUIT

Tegucigalpa LA TRIBUNA in Spanish 30 Jul 86 p 5

[Text] The Sandinist commanders have chosen this time to take Honduras and Costa Rica to the International Court of Justice to accuse the two countries of allowing the Nicaraguan counterrevolutionaries to operate in their territory.

In our case, our border dispute with El Salvador is still pending in the International Court. For that purpose, the Foreign Ministry is supposedly making all the necessary preparations, compiling all the documentation demanded from on high so that we will not have to turn over territory that belongs to us. The United States, which was also sued by Nicaragua, decided that the International Court lacked jurisdiction because the matter was political. In the absence of the United States, the court ruled on the case, and it is our understanding that it found in favor of Nicaragua in its ruling on that country's suit. But since the gringos do not accept the jurisdiction of the court, now the Nicaraguans plan to take their protest to the United Nations Security Council.

Our case is not the same as that of the United States. We unquestioningly accept the jurisdiction of The Hague. That is why our border dispute with El Salvador is being heard by that court. Thus, we must face this suit by Nicaragua with both our eyes open.

To respond to the suit filed by the Sandinists, perhaps the first step would be for the Honduran Foreign Ministry to clarify its position. First it said that the Contras "do not exist officially" in Honduras. Now it is saying that they do exist, that they come and go, that they stay here, that they appear and disappear, but that "they are not authorized." It is hard to believe that such large groups of armed men can remain in our national territory, can run wild like unpenned bulls, can come and go freely like a man in his castle, and that the Foreign Ministry is fully aware of all this without taking any action to rectify the situation. This means that groups of Libyans, Tupamaros, members of the PLO, and the like can come here and wreak havoc on national territory with impunity.

Something that is not authorized is not permitted. And the function of the National Army, as we understand it, is to ensure the full exercise of our sovereignty. This means that the foreign minister is telling the Superior Council of the Armed Forces that they are not fulfilling their constitutional obligation. Because the Foreign Ministry cannot and should not sit back passively and watch something that is not authorized by the government and that violates the law.

If the operations of "armed groups" (aside from the National Army) are not authorized, and they do exist and the Foreign Ministry sits on its hands, then any armed group from any place can camp out on our territory as if there were no authority here, no government, no nothing.

On the other hand, we want to ask the Foreign Ministry: How many formal protests have you lodged with the Sandinist Government as a result of the constant incursions of its troops into our national territory, in violation of our sovereignty? How many times have you sent an official note of protest over the aggressive acts that have been perpetrated against us in recent months? Have copies of these notes been sent to the appropriate international organizations? And if these notes have been drawn up and these protests have been lodged, why have they not been reported or publicized in the mass media?

If Nicaragua is suing us in The Hague and making us out to be the aggressors, the providers of territory, the bad guys, then in this case it strikes us as very strange that the Foreign Ministry is remaining silent in the face of the aggression perpetrated against us by the Sandinists. Or is it the case that since this government took office, the Sandinists have not touched our national dignity with so much as a rose petal? And if they have publicized their complaints to the utmost, to the extent of formally accusing us in the court of The Hague, why are we observing total silence here? Is there some interest in having the world see us as the bad guys, the violators of international law?

"We are going to analyze this problem, but we are serene," says the foreign minister. Let us hope that this serenity is not really sloth, and that the Sandinists do not take us by surprise in The Hague while the Foreign Ministry takes its time analyzing and thinking that the moon is made of cheese.

8926
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HEAD OF GENERAL STAFF ON REASONS FOR CONTRA DEFEAT

Managua BARRICADA INTERNACIONAL in English 14 Aug 86 pp 3, 6

[Text] At the end of 1985 Minister of Defense Humberto Ortega stated that the government's political and military initiatives during that year had put the counterrevolutionary project on the road to an irreversible strategic defeat. That process of strategic defeat has intensified this year. Even the Pentagon's strategists admit that the contras are incapable of carrying out major operations, to say nothing of overthrowing the Nicaraguan government. Political analysts agree that as the defeat of the mercenary forces advances, the danger of a direct U.S. intervention to "stop the communist threat in the region" – using the Honduran army or its own forces – increases.

Seven months after Ortega's announcement, the deputy minister of defense and head of the army's general staff, Commander Joaquín Cuadra, explained how the war has evolved during the first semester of 1986.

The following is a summary of the interview granted by Cuadra to Segovia, the monthly magazine of the armed forces.

How has the process of strategic defeat of the contra advanced?

At the beginning of the year, the counterrevolutionaries' main efforts were aimed at infiltrating and gaining a foothold in the central region of the country: the departments of Boaco, Chontales, and nearby areas of Zelaya.

They were trying to recover part of the territorial and social base lost during 1985 in the northern departments of Matagalpa, Jinotega, Nueva Segovia, Madriz and Estelí.

This base is of vital importance for them. In part because, in terms of logistical support, it means access to food and information networks; but it is most important to them as a recruiting ground to replace their casualties.

A scattered peasant population living in remote, hard-to-reach areas, where the effect of the Revolution had been minimal or nonexistent, represented an ideal source of new fighters.

The Jorge Salazar operational commando, the most important unit of the so-called Nicaraguan Democratic Force (FDN), entered from Honduras through the mountainous corridor that divides the Pacific coast from the Atlantic coast, and established itself in northeastern Chontales, southeastern Boaco and central-western Zelaya. From there they hoped to operate in the municipalities of these departments, and, in particular, along the Juigalpa-Rama-Bluefields route, the main line of communication – by land and water – between Managua and the Atlantic.

However, the actions carried out by our territorial and irregular combat units not only inflicted heavy casualties on them when they attacked some villages, but also restricted their mobility to the uninhabited jungle of Zelaya.

At the same time, our operations in the northern Atlantic region and the rest of the country impeded any new attempt by the counterrevolution to set up stable bases inside the country.

It is no coincidence that most of their actions have been aimed at ambushing, harrassing or destroying civilian targets.

What does the deepening of the strategic defeat mean in numbers?

The counterrevolutionary forces need to be able to replace, within a given time frame, the casualties they suffer in each campaign. They also need to be able to grow, to develop.

When, at the end of the semester, we made a numerical comparison between their casualties and the people they have abducted – their main method of recruitment – we found that the gap is very wide: the number of fighters they have today is much smaller than what it was at the beginning of the year.

As of the beginning of July, contra casualties included 2,745 deaths and 300 captured. Our intelligence and security sources reveal that, in that same period and through increasingly violent means, they were able to abduct 259 persons.

We also know that during the last few months the contras have developed a campaign of forced recruitment inside the refugee camps in Honduras, which are supervised by the United Nations High Commissioner for Refugees (UNHCR). Since most of the people in these camps are women, children and older people, we estimate that no more than 800 men able to fight could have joined their forces.

Even without considering that most of those kidnapped desert once they enter the country as fighters – the number of people kidnapped by the contra is almost equal to the number of those who have taken advantage of the amnesty law – there is still a large gap between the contra's losses and their possibilities for recruitment.

This is quite a change from previous years. Through 1984 and even part of 1985, despite the fact that we inflicted many casualties on them, they maintained the ability to replenish their ranks.

Today the social situation has changed. The isolated campesinos who used to struggle to farm a small plot in the mountains, easy prey to coercion or counterrevolutionary propaganda, now live in communities organized around agrarian reform and the defense of the land. This makes abduction much more difficult.

This is part of the reason why campesino settlements are one of the contras' favorite civilian targets, where they attack most viciously. They hope to damage the economy and also destroy the Revolution's political project in the countryside; they want to frighten the campesinos who have resettled and grouped together in cooperatives, forcing them to go back to their previous state of dispersion and thus become easy prey to counterrevolutionary coercion.

But these resettlements get stronger every day both in terms of production as well as in military self-defense, and this is yet another qualitative indicator of how the strategic defeat of the counterrevolution is deepening.

Could the US$100 million approved by Congress for the contras reverse this process of strategic defeat?

From a tactical viewpoint it will benefit them. The US$100 million will translate into a greater capacity to communicate, to deploy their forces, and into more powerful and modern weaponry.

Direct training by U.S. advisers might improve the contra's tactical maneuvers: massive use of airplanes and helicopters for deployment and supplies inside Honduras, provisioning and air support for operations inside Nicaraguan territory, and a greater antiaircraft ability. But from the strategic point of view, the balance of forces does not change, nor will the course of the war change in their favor.

We are not overly concerned about the US$100 million being converted into weapons, communication equipment, helicopters, airplanes, supplies; but we do worry about its political significance.

Once again the CIA has a free hand to carry out operations against Nicaragua similar to those of 1983 and 1984. That is, an improved and augmented version of the piranha speed-boat attacks on Corinto, Puerto Cabezas, Bluefields, San Juan del Sur; surgical strikes on airports and other specific targets; the mining of ports and the blowing up of the oil pipeline in Puerto Sandino.

When these covert actions were denounced in the U.S., there was a significant political reaction. Today the CIA has the bipartisan support of Congress and of the entire government apparatus to carry out similar actions.

Contrary to what the Reagan administration claims, the approval of new financing and direct military training for the contras does not diminish the danger of a direct U.S. intervention. It actually increases it.

There is only a short step from training to getting involved in combat; it is only a small matter to go from airlifting supplies into Nicaraguan territory to air support for troops in battle. A chain reaction of incidents could easily take place: U.S. advisers are killed in combat, the Honduran army gets involved in border actions, a limited war begins between Nicaragua and Honduras, the U.S. supports Honduras, and finally, the U.S. invades Nicaragua.

In other words, the approval of the US$100 million marks the beginning of a stage of increased aggression and introduces a new element: a green light for intervention from Democrats as well as Republicans. ■

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CSO: 3200/29

'DONATIONS' OF SOCIALIST COUNTRIES DESCRIBED

Managua BARRICADA INTERNACIONAL in English 7 Aug 86 p 13

[Text] Musical instruments, painting tools and ballet shoes worth US$50,000 were donated to Nicaragua's Ministry of Culture by the Czechoslovakian government. Upon receiving the donation, Minister of Culture Ernesto Cardenal explained that some cultural centers would have had to close if it were not for donations. The donation is part of an agreement signed by Cardenal and his Czechoslovakian counterpart during a visit the latter made to Nicaragua early this year.

As a member of the Council of Mutual Economic Assistance (COMECON), Czechoslovakia provides material donations, scientific and technical assistance, and bilateral commercial trade by way of a joint commission.

A few days earlier, Vice President of Czechoslovakia Misoslav Toman had signed a five-year agreement to train Nicaraguan professionals and technicians. Toman, who visited Nicaragua for the celebration of the seventh anniversary of the Revolution, had brought a donation of school materials as well as 29,000 meters of cloth for the garment industry.

/13046
CSO: 3200/39

ANTIGOVERNMENT SLOGANS SUNG DURING STUDENT TOURNAMENT

PY211615 Asuncion EL PUEBLO in Spanish 20 Aug 86 Special Supplement p 1

[Unattributed report: "For a Free and Democratic University"]

[Text] Blessed be the sun that enlightens our life, and blessed be the darkness that comes after a sunny day.

Blessed be the voice that rises in the middle of silence, and blessed be the silence of those who know how to keep quiet.

Blessed be the love that appeases our hatred, and blessed be our hatred if we are not allowed to love.

Blessed be the bread that quiets our hunger, and blessed be the hunger of he who steals our bread.

Blessed be he who does not betray his people, and blessed be the people who kill those who betrayed them.

Blessed be the peace that lives in our song, and blessed be the struggle if we are not allowed to live in peace.

These words, sung by Gente in Camino before Maria Elena Walsh's "Travellers' Song," resounded in the crowded Engineering School building, where more than 5,000 people attended the opening of the University Tournament. Youths from 11 schools, youths who are not supporters of the dictatorship, are participating in the tournament. More than 5,000 voices joined to sing slogans against the regime, showing what this generation--which the reality of today rather than "the hope for the future"--actually wants.

The University Tournament was born 3 years ago as the youth's reaction against the lavishly and commercially managed University Games, which had been regularly manipulated by the Stroessnerist dictatorship. The schools of Theology, Medicine, Dentistry, Agronomy, Sciences and Technology, Accounting, Law (Catholic University), Engineering, and Chemistry participate in the tournament.

The tournament began modestly with the participation of six student centers, which worked hard to make it a cultural and athletic event involving only university students. This is a clean undertaking that does not give itself away to the dictatorship or to the multinationals, it is an example of honesty and idealism.

Sembrador, Ara Pyajhy, Priska and Cristina, Cantamerica, Gente en Camino, and the Namandu trio performed on the tournament's opening festival. The crowd twice sang the song "The United People Will Never Be Defeated." The festival ended near the hour of the curfew, which the Stroessner regime has disguised as a police edict.

The representatives of the schools reported the situation that their centers are going through, as well as the economic, internal, and police pressure to which they are being subjected. The student leaders agreed on the need to work for a democratic university, a task that inevitably calls for the democratization of the country.

In this regard, Law School (National University) student leader Paraguayo Cubas reported on the repressive policies adopted by the Superior Councils of the National University and the Catholic University. The following leaders also spoke: Andres Canese, of Chemistry; Carlos Galarza, of Sciences and Technology; Hernando Basili, of Engineering and the tournament's host; Hector Lacognata, of Medicine; Mabel Rehnfeldt, of Philosophy (Catholic University), the school that has done most for the tournament; Carlos Cabriza, of Law (Catholic University); and Ireneo Barreto, of Theology.

However, the University Tournament has just begun. It will feature several panel discussions and a story and poetry contest, in addition to the athletic competitions that will be held on weekends, without discontinuing classes.

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CSO: 3348/793

ABC COLOR PUBLISHER DISCUSSES PRESS FREEDOM

PY081857 Paris AFP in Spanish 0156 GMT 8 Aug 86

[Text] Asuncion, 7 Aug (AFP)--Aldo Zuccolillo, the publisher of the closed independent Paraguayan newspaper ABC COLOR, today said that it will be very difficult for his newspaper to reappear while General Alfredo Stroessner is in power because the head of state cannot tolerate press freedom.

Speaking to the international press on the 19th anniversary of the founding of his newspaper--which was closed by the government 2 years ago--, Zuccolillo reasserted the principles of press freedoms as the basis for the republican and democratic system. These principles prevailed in ABC COLOR until it was closed for an indefinite period of time.

Asked about the rumored imminent reopening of his newspaper, which coincided with the visit of U.S. President Ronald Reagan's envoy [Robert Gelbard] to hold talks with the Paraguayan chief executive, Zuccolillo replied that they are just rumors.

Contrary to the opinions expressed by some opposition leaders that Stroessner will be forced to hand over his power, Zuccolillo said that the head of state, who has been in power for more than 30 years, will tighten his grip.

Despite his prediction, Zuccolillo said that the head of state has received an ultimatum from the United States to force a democratic normalization in Paraguay, based on the following points: the reopening of his newspaper, the lifting of the state of siege, and authorization for exiled politician Domingo Laino to return.

Zuccolillo stated that ABC will reappear some day. He did not say when, but hinted that it would be soon.

When asked how ABC would describe the Paraguayan Government when it reappears, Zuccolillo replied: A dictatorship.

The Paraguayan journalist said that the United States holds the purse strings and can at any time push his country toward democratic normalization. The U.S. ambassador in Asuncion, Clyde Taylor, has specific orders from his government to maintain relations with the opposition, which irks the regime and has resulted in harsh epithets from Stroessner's high-ranking officials for Taylor.

As proof of this, Zuccolillo said that if the United States, Brazil, or Argentina were to discontinue their trade or their financial assistance to Paraguay these guys would be at each others throats within a week.

Zuccolillo compared the current international pressure on the Paraguayan Government to that suffered in 1979 by Nicaraguan dictator Anastasio Somoza a few days before he rapidly left his country as a result of Sandinist harassment.

The United States has discontinued its arms supplies to the Paraguayan Armed Forces, as it did in Nicaragua during the Somoza rule, just a few months before his downfall.

Zuccolillo said that during the former Nicaraguan dictator's exile in Asuncion in 1980 he said that the arms embargo imposed by the United States caused his downfall. The ABC publisher said that Somoza commented to him that when the Sandinista revolution ended, the Nicaraguan Armed Forces had barely 6,000 bullets left.

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CSO: 3348/793

PARAGUAY

BRIEFS

RADIO NANDUTI BROADCASTS JAMMED--"The spring for Radio Nanduti is over," was the first thing owner Humberto Rubin said when asked about the interference that has again been affecting his radio since the night of 15 August. "I had very positive feelings when a short time ago they stopped the interference. I thought something was changing in this country. Now that everything has returned to where it was before, the result is negative," he added. Rubin said that the visit of U.S. envoy Robert Gelbard "made things better. Gelbard strongly defended human rights and the freedom of the press, and for a moment it appeared that with his visit things would improve. There really was some improvement, but the spring has ended." He said that "it reached the limit when they blocked out the reading of a letter from the government delegate in Boqueron, Benitez Rickman, about the visit of the general prosecutor from Salta, who also visited with President Stroessner. It was a nice item. The prosecutor, in turn, invited people for the folkloric festival in Salta, and as the censors probably heard the mention of the Salta festival several times, they might have understood it was said in defense of the Vpacarai festival, so they jammed it several times." When asked about the measures to be taken over the jamming, Rubin did not hesitate to answer. "There is nothing we can do, we can only hope for another spring with the visit of another foreign official." [Text] [Asuncion EL DIARIO in Spanish 19 Aug pp 10, 11 PY]

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REPORT ON POLICE FORCES: CHANGES, PROBLEMS

Lima QUEHACER in Spanish No 41 Jun-Jul 86 pp 86-101

[Special Report: "The Police in Peru," by Raul Gonzalez]

[Text] The first part of the police reorganization undertaken by the present government has ended. Nevertheless, things do no appear to have changed greatly among the police. What are the problems not yet dealt with by the minister of interior? Has the retirement of several hundred officers been sufficient? In this report, various daily participants in the police chaos state and explain what still remains to be done in order to achieve the kind of police that we all desire.

I

Location: Ricardo Palma in Chosica. Date: Tuesday, 15 April 1986. It was 30 minutes before the start of the curfew when the Civil Guard second lieutenant, Jose Luis Rejas Albujar, and three other policemen on duty entered "Superman," a restaurant located in the middle of the central highway, at which nearly all travelers coming to or from the middle of the country stop. The policeman carefully observed each and every table in the place. Finally, he made a decision and headed toward one occupied by two women. One was 25 years old, not bad-looking, and answered to the name of Giovanna; the other was prettier, and about 15 years old;she was actually a child. The second lieutenant asked for their personal papers. The women took out some identity cards and several papers. "They won't do," they were told by the officer who ordered them to accompany him to the Chosica station. They protested: that was a different jurisdiction, they had done nothing wrong, they couldn't be arrested.... There was no opportunity to complain and, when they least expected it, they were already seated in the patrol car, now entering Chosica's No 65 police station. Giovanna was then taken to a hotel, and three guardsmen stripped her violently; then the second lieutenant took the 15-year old girl to his room by force; and the two women were raped. The curfew ended at 0500 hours in the morning, and the two girlfriends met again to hear the same order: No one was to be told about what had happened that night; no one. Otherwise, they would pay for such a disclosure with their lives.

In La Merced, 25 days earlier, on 21 March 1986, two sisters, one 13 and the other 16 years of age, had the same experience. On that day, Sergeant Alejandro Mantari and guardsman Esteban Vidal Villar arrested the two women for not having papers; they were taken to the police station, where they were handcuffed and raped. Not only that: they were not allowed to leave. When the townspeople heard what had happened, a widespread protest was promptly organized headed by Lieutenant Governor Antonio Malma, which went to the station. The policemen took up positions on their premises and fired several rounds with a submachine gun at the demonstrators. A few minutes later, they decided to allow the sisters to leave, because they were afraid of being lynched.

All those implicated in both cases have been dismissed; however, the various populations are still angry, inflamed and want nothing to do with the police.

On Thursday, 15 April 1986, a peasant, Leopoldo Choque, appeared at the Tacna police station in Tarata. The purpose of the visit: to deposit money for his children's support, since he was separated from them because of being divorced from his wife. The guardsman who dealt with Choque, Sebastian Claros, urged him to return. The peasant protested, and was rebuked for his obvious state of drunkeneness. The response was not long in coming: the policeman took out his revolver and shot him pointblank. When Choque's friends and the mayor of Tarate himself began inquiring on his whereabouts, the first thing that they heard was that Choque was a terrorist and was being investigated. However, the truth soon became known: he was dead and buried. The other guardsmen have disclosed everything, and Sebastian Claros will be dismissed. Nevertheless, in Tarata the population is still angry, and the residents are not weary of condemning this new police mistreatment.

Almost every day, the Lima newspapers carry similar reports: A jealous guardsman who used his weapon to kill his wife's lover; a worker who entered a police station never to emerge; reports of robberies committed by some individuals in uniform; torture committed in the police stations: in other words, abuse, pure and simple; the abuse in which the victim is always the common, ordinary citizen who seems to be increasingly afraid, fearing an institution which, on the contrary, should be inspiring more confidence in him.

But the common, ordinary citizen also knows (or thinks he knows) that, if a guardsman arrests him, he can procure his release with a little money; that if he commits a traffic violation he can avoid having them give him the respective ticket if he bribes the uniformed officer who has caught him in the act. In short, he knows that everything can be achieved with money.

Nevertheless, the problems are not just between policemen and civilians. There are also others, that is, among the police themselves. For example, on Sunday, 6 April, in the sixth block of Los Incas Avenue, in Barrios Altos, the car of guardsman Walter Castaneda was struck by another car from which an officer from the same institution emerged and after identifying himself, hit the policeman in the face and fled. Castaneda, along with other guardsmen, went to the third police station to submit his complaint, but while he was doing so, Maj Pedro showed up and gave him a severe beating. In the police forces' hospital they made the diagnosis: "contusions on the face and neck, and abrasions on the tongue": abuses from the upper echelons.

In December 1982, the Ministry of Interior's inspector general, Civil Guard Gen Antonio Nunez, released a horrifying report in which he claimed that there were officiers "who implicate their subordinates not only in the consumption of liquor, gambling, and other degrading vices, but also in collecting money extorted from the public to fill their pockets with dirty banknotes, unquestionably with the complacency of certain unscrupulous superiors who do not adopt any measures, despite the complaints that exist." And the result of this behavior, according to the same general, is none other than the following: "The honest citizens are afraid to visit our police stations, posts, and other offices unless they are provided with the pertinent recommendation; because, otherwise, they are almost always treated with contempt or belittlement, and they are denied or cheated out of the justice to which they have a legitimate right." No one paid any attention to him, and the carefully prepared diagnosis was left in the files.

No one paid any attention to him, and the police abuses increased, and the confrontations between the various police forces proliferated; in a word: the police institution became discredited in the eyes of the civilian population and quickly lost legitimacy.

II

"The police problems are many," claimed an officer who, for obvious reasons, requested not to be identified. "To begin with, we have the criteria used to select personnel. Over 3,000 candidates appear for the guardsmen, and there are usually 100 vacancies. Who are the ones selected? Those who meet a series of requirements: those with military bearing, the athletic men, and those who boast of being very strong and having violent reactions; but, a the same time, those who can readily be brought to submission, because it is believed that a guardsman cannot be a person who thinks or reasons. Not chosen are those with a calling for service to the community, the honest, peaceful men who are, at the same time, brave and incorruptible."

[Question] Do such men exist?

[Answer] Of course they exist. For example, aren't the firemen brave, honest unselfish men, with an indisputable calling for service to the community? Of course they are! But in the institutions, they think, as the popular saying goes, that "the simpletons should be firemen." In other words, they think that those who have those assets (which should be germane to and inherent in the policeman) are idiots; pardon the term, but that is so. It is thought that the policeman must be a cold, unthinking man, almost a robot, or automaton, who takes orders.

It's true; they think that the policeman should not be an honest, incorruptible man, but rather the kind of person that the officer in question describes so well.

The officer goes on to say: "How can a policeman be asked not to be unethical, if in order to join he has to pay favors, accept bribes, and buy 'influence," in short, enter the circle of immorality and corruption? Such a man cannot be asked to be an incorrputible policeman. And when he leaves school, he encounters similar problems because, in order to be assigned to a good location and not an emergency site, or to Puno or Cerro de Pasco, he also must achieve good influence, he must pay. I am sorry to say this, but it is so. And if that policeman remains in Lima, he goes to a police station, and there everyone bribes; there everyone pretends not to notice things when there is a good tip to be had. And if that policeman does not do this, he will simply be disapproved of by the others, and will represent a threat, because he could be a potential informer...."

[Question] Then would you say that the institution is completely rotten?

[Answer] It is not, although that may seem untrue. There are honest, upright policemen; most of them are the ones who did not go to the "temptation areas" (customs, narcotics). The subordinates, on the other hand, are not corrupt; they do their bribing, but it is usually always on a small scale; they do so because they are poorly paid, out of desperation. And when they don't want to bribe, the population itself bribes them. Have you ever been stopped by a policeman for committing a traffic violation? Haven't you felt tempted to bribe him, if you haven't done so? Society itself corrupts the police, often without meaning to...."

Another Civil Guard officer (he has been urged to retire, with the reorganization of the police forces) claims the following, and he uses a set of multicolor graphics to illustrate it.

"The institutions are none other than the product of a society, because they are its virtues and flaws. Hence, communitarian institutions, institutions which share the values of that society, befit a communitarian society. An individualistic society, won over by false values, will deserve institutions of the same type. So, let us ask, in the first place, in which type of society do we live? Isn't this a society in which sexuality, drugs, terrorist violence, individualism, and the lack of a civic conscience prevail? Yes, it is. Therefore, the institutions are corrupt and perverted. No one is concerned about his neighbor; everyone thinks and acts in terms of the ego. Hence, the police are exposed to many temptations and they are also won over by false values. But, my friend, the entire society is not corrupt; therefore, not all the police institution is. That is why I say that, to change and offer the real significance and spirit that institutions such as the police should have, we must first make the entire population understand that it is what must change."

The officer draws one picture after another, thinks, and speaks emotionally.

[Question] In other words, a radical social change is what you would propose?

[Answer] When one mentions change, many think of a revolution. I do not; I think of the affirmation of democracy in a Christian society that would reassess its lost values, in a society in which everyone acts along the right path.

However, this officer's ethical judgment does not conceal an indisputable truth: The institutions, and certainly including the police, are only a reflection of the societies which have created them, which have given birth to them.

One guardman claims: "The reorganization of the police forces was requested for the first time by subordinate personnel. It was on 5 February 1975. We also asked for unification of the three forces. However, not one of us have been asked why we requested these two things...."

[Question] And why did you request them?

[Answer] Because we have suffered personally from the officers' immorality; because we know how the commanders restricted us economically when we wanted to do the "raids" (rural patrolling) in Iquitos to catch narcos, because the narcos pay well... Because we think that the regulations are obsolete, that it is impossible to merely dismiss bad officers,allowing them to go home with a pension and a group of privileges....

Another civil guardsman claims: "We asked to have the policeman reassessed and vindicated as a person. At present, the subordinate is a recipient of orders, an automaton who often has to do things that he does not want to do...."

III

According to the Constitution of Peru, the function of the police is confined to maintaining internal order, preserving public order, and guaranteeing the fulfillment of the laws, the security of individuals, and that of public and private assets, as well as preventing and combating crime.

This is based on the Constitution; however, the police institution has historically been diverting its attention and reducing its tasks to other more subordinate ones. The reason: The police in Peru, and especially in Lima, grew at the rate of the city; in other words, without any planning or rationality. The consequences: Hundreds of officers and guardsmen were detailed to an equal number of police stations which were created in every district or slum that came into existence. So, the police began an accelerated process of bureaucratization; because, at the cost of neglecting the patrolling service, they embarked upon tasks associated with secretaries, such as making reports, domicile certificates, and various records. The policemen were confined in their unstable police installations, and began to be diverted to office work.

If anyone noticed this situation, nothing was ever said or done. And each officer wanted to have his own police station, his bailiwick.

One of the officers interviewed by QUEHACER claims the following in this respect:

"The first thing that should be done is to close such police stations and order all the policemen onto the streets. In Peru, we need more patrolling and fewer police stations. I would do the following: divide Lima into four zones, create a headquarters in each of them, equip it with computers, hire good secretaries, and assign expert officers to administration, so that they could supervise all the work. If you are robbed, lose your papers, or want to file a complaint, then go to the headquarters. On the other hand, the headquarters would be the coordinating center for all the police who go onto the streets to patrol. I assure you that everything would progress better, and, what is more important, you would find a policeman on every corner."

But the problems facing an institution such as the police go beyond the important organization and distribution of personnel and, as another one of those interviewed, also an officer, maintained:

"The police have to confront organized types of crime, such as the rings of drug traffickers and kidnappers and the terrorists; organizations which, in many instances, have a logistical capacity exceeding that of the police. And this is significant, because it requires the institution to operate militarily and permanently. The result is unfortunate, because they give up the fundamental task for which they were established: to safeguard public order."

A subordinate makes the following claim:

"No one understands us. They order us to put down a march, or break up a rally. If you don't obey, you lose your job, and they punish you. Besides, when immobility is declared, no one can leave, and we have to work over 48 hours a week, without pay for overtime. They put you in quarters and don't allow you to go home; they pay you little. So, why wouldn't the policeman go out angrily and enraged to break up that rally or that march? Do you think that the policemen who are poorly paid don't support the workers when they go out to demand an increase in wages and salaries? We would be insane if we didn't agree with them. But, what can we do? In the emergency zone, the guardsmen have been forced to kill people. If they didn't do so, they would lose their jobs, and could even be accused of being Senderists. Who protects us? No one. No one understands the police."

In fact, what is not understood is the function of the police and this institution's place in society. To many politicians and also to many of those in charge of the police institutions, this has been a taboo topic, and hence it has never been discussed; among many reasons, because it was in their interest to maintain the institution as such, to preserve an order that was giving them easy jobs and enabling them to live well, purely and simply.

So, the police have been bureaucratized. However, something else happened. The most organized types of crime, such as drug trafficking, soon turned their glance toward the officers, the police, offering them flattery, gifts, percentages, and money, to corrupt them. And many officers did not know how to say no, or could not do so.

The first officer interviewed maintains: "Corruption exists; that is why there is resistance to change. That is why there are among the police profitable positions to which the brightest ones go, and positions for the duller ones.

such as administrative jobs, serving as aides, and even in intelligence. Since they pay no money, no one wants to go...."

One guardsman makes the following assertion:

"Many guardsmen are corrupt because there are no concrete examples of morality in the institution. Look, even the judges in the police judicial area often have to pretend not to see things because they are colonels, and a colonel cannot become demanding toward a general. The commanders, on the other hand, are the ones who take the arraignments. What type of examination can they make? The administration of justice is limited by a ranking system."

In summary, the police bureaucratization has been compounded by the temptation for money, and corruption which has urged the police from outside to commit crime, uniform and all.

But there is something else: The social situation has become increasingly more violent. Crime has increased and subversion made its appearance in 1980. The result: Never have the police felt that they could lose their lives at any time and in any place as they do now. And they opted to take advantage of the occasion to give free rein to their basest passions, without anyone doing anything to stop it or to offer them a solution.

A member of the PIP [Peruvian Investigative Police] claims: "Many policemen think that they may die at any time. Therefore, they try to make money so as to at least have something to leave to their families."

A civil guardsman expressed the following opinion in this regard:

"You can't imagine what a guardsman who comes from the emergency zone experiences. In the first place, he joined the force there "because of the requirements of the service," it is claimed. He has not been trained for it; he is not used to killing, and he has to do so, because, otherwise, they would kill him or dismiss him. That policeman returns and goes out onto the street. Has anyone considered that he might need a psychological examination? No one. That policeman is often no longer what he was before. Do you know what has also happened? The institution has become discredited, and everyone has a bad opinion of us. There are many who think that, since you consider us worthless, we should behave like that: like a worthless person...."

IV

One of the first measures adopted by Alan Garcia's government was to order the reorganization of the police forces. Thanks to this arrangement, more than 1,000 officers have been retired. Subsequently, they began working on what was to be considered the second major step in the police reorganization: the restructuring of the curricula and study plans of the institutions which train officers and subordinates.

The progress made is unquestionably of particular significance; nevertheless, it could prove insufficient if all the problems noted here which the police themselves have undertaken to list are not dealt with.

In the first place, it must be clearly defined what the function of the police is. Is it a matter of maintaining public order, or preserving a certain social and political system? On one occasion, Balzac wrote: "Governments pass, societies, die, the police are eternal." It is not overly exaggerated to say that; to many officials and politicians, that saying is the justification (to be sure, an unconscious one) for the design of an institution more concerned about preserving itself and maintaining the social and political system that allows it to survive than over public order itself, which is theoretically its raison d'etre. Hence, it is necessary to answer a question which may seem fundamental but which is currently more urgent than ever: For what purpose do we want a police force? What is its social function?

Secondly, it is necessary to revise the organization of the police institution because we certainly need more policemen on the streets and fewer police stations. We need to debureaucratize the police institutions, exposing them increasingly less to bribery and corruption which, as has been established, occur very easily in police stations.

Thirdly, it is necessary to revise the internal regulations and the legal provisions which govern the activity of the police. If their function is different from that of the military, they cannot continue to operate with military regulations and incursions into the Code of Military Justice.

Along with these three problems, we must also deal with those involving salaries and promotions and, in short, everything that is a daily encouragement or frustration to those who, one day, decided to wear a uniform which, some day, should be reassessed.

The Origins

The history of the police dates back to our early colonial times, when the Spaniards created the riflemen, a small body of men whose mission was to pursue and capture the conspiring Indians and make the majority of mortals convert to the Catholic religion and obey the rules of the conquistadores. Soon, however, they declared themselves powerless to carry out the assignment. The reason: There was increasingly greater opposition, more rebellion and increasingly forceful protests when women and children were seized by force and required to go in chains to serve as beasts of burden for those who had captured them.

Thus, the "cuadrilleros" (a kind of rural police), night watchmen, and undercover agents were created. However, their mission was the same: to pursue Indians, force compliance with rules, and subjugate rebels. The police at that time were dressed very elegantly: with a long cape, a feathered hat with a blue headband, a ruff of duchess lace, a brown vest, trousers of the same color with jet trim, and a velvet belt from which a sword with a gilded quillon was suspended.

There was just one reason for the existence of these policemen: to enable the conquistadores to make their domination possible; to consolidate and preserve a system.

During the republic, the night watchmen were created, and later the national guard. Neither operated as had been intended. Therefore, in 1921, Augusto B. Leguia contracted a Spanish mission to organize a police force for him. And that is what the Spanish Civil Guard officers did: they created a police force in the image and likeness of the Spanish counterpart. The mission created a general directorate, formed an officers' corps, and opened a police academy and a traffic service , with police stations and a section to investigate crimes; in short, it left Peru an institution to guarantee internal order which, however, would soon have to take to the streets to confront the Aprista insurrection and social protest. And, just as in colonial times, the police would have to pursue rebels, conquer desires, and force compliance with the rulings emanating from the central authorities.

With the passage of years, the Civil Guard was complemented by the Investigative Police and a corps specializing in overseeing public services, infrastructure, and borders: the Republican Guard. But, as the years elapsed, the three police corps also ended up confronting social protest and making that task their reason for existing. For example, the Republican Guard created a corps to fight subversion whereas, theoretically, what was supposed to be done was to allocate those resources to strengthen the specialized corps that existed in the Civil Guard for those duties (even though the latter was not to our liking).

Perhaps one of the main problems explaining the reason for the discreditation of the police, in addition to corruption, is the use that has been made of them by many governments (especially those of Morales Bermudez and Belaunde); in other words, the abusive, violent treatment toward the civilian population and social protest.

Hence, making the Peruvian police an institution respected by all Peruvians entails a prior discussion of the function that this institution must fulfill in society, and an understanding on the part of rulers that they cannot make use of the police to enact unpopular measures. It may seem utopian, or overly naive to cite this type of issue; however, it is not. It is a matter of bringing up whether it is possible to make democracy in Peru something more than a mere declaration.

The Demands of the Subordinates

There are 14 points in the current "list of demands" which the Civil Guard's surbordinate troops want to be studied by those who have undertaken to reorganize the police forces. They are:

1. Decent, realistic salaries to cope with the cost of living and to prevent unethical acts resulting from need. Also, pay for immobility and housing, and abolishment of improper deductions.

2. Assignment based on the Code of Police Justice in keeping with the individual features and specific mission of the police. The Code of Military Justice (which governs them) subjects the police and forces the obeying of orders detrimental to their dignity and their principles.

3. Respect for job stability violated by mere decisions by directors, and a reconsideration of the dismissals ordered arbitrarily.

4. Unionization, or the creation of a similar fitting organization to guarantee unlimited respect for the rights of the police and their human condition.

5. Demilitarization of the legal professionals assimilated into the FFPP [Police Forces]. They have been subjected to ranking scales which damage their autonomy. The assimilated professionals should occupy positions in the courts, and not those of armed officers.

6. Professionalization and reclassification of subordinate personnel, inspired by educational, ethical, and social principles. At present, physical condition is given priority over intellectual qualities, and submissive obedience over reflection, and indifference toward social phenomena is encouraged.

7. New internal regulations. The existing ones are incompatible with the State Constitution and the Universal Human Rights Declaration.

8. Improvement in working conditions. The current ones are unwholesome and dangerous, and the weekly service exceeds the 48 hours stipulated by the Constitution. Penalties depriving persons of freedom proliferate without a right to appeal for relief.

9. A General Auditing of the Housing Cooperatives and the FFPP Welfare Fund.

10. Repeal of the unconstitutional Laws 18081 and 19846, which freeze the pensions of the FFPP.

11. The victims and policemen incapacitated in the performance of their duty should be promoted periodically based on a principle of equity, so that they or their family members may benefit from an increase in pensions.

12. Total health and social assistance. The FFPP hospital does not fulfill its objectives. There is an unseemly and unfair discrimination toward subordinate personnel in comparison with officers.

13. Investigation and punishment of the ring of officers who control income or sell promotions.

14. An effective reorganization, unification, and moralization of the Civil Guard, the Investigative Police, and the Republican Guard, aimed at restoring the citizens' confidence and eliminating that image of corruption, violence, and authoritarianism that they are showing at present.

Command Was Lacking

At 1850 hours on Monday, 9 June 1986, four members of the Tupac Amaru Revolutionary Movement entered the premises of the Police Club located on Garcilaso de la Vega Avenue in Lima and, after exploding a dynamite charge at the door of the center's building, attempted to burn it by sprinkling oil for domestic use on the carpeting. They did not succeed in their mission because an officer, Second Lieutenant Juan Lopez, intercepted them along the way and because the guardsmen watching the newspaper OJO located opposite the Police Club fired at them and covered the main entrance. Several officers were in the club and immediately fell to the floor with weapons in their holsters.

Fifteen minutes later, patrols from the three police forces met at the door of the attacked building, surrounded the block, took up positions on the roofs, evicted the local residents, and began firing left and right. There was also shooting inside the club: it was the policemen who intended to repel the attack. The shooting lasted 2 hours, until those firing inside the premises and those outside realized that the Tupac Amaru members had escaped via the roofs at the very time that the newspaper OJO's guards decided to take action. About 2100 hours at night, the Ministry of Interior issued a communique in which he noted that the attackers had escaped "mixing in with the passersby walking by that site at the time." In other words, the police (both those inside and those outside the building) had been shooting for 2 hours at an enemy who had fled and were in safety.

The incident can only reveal the non-existence of a command. It didn't occur to anyone to use a megaphone and ask those who had entered the premises to surrender. If that had been done, those located inside the club would have realized that those outside were police also. They didn't even use the telephone. They spent 2 hours shooting at each other, and it was only after that length of time that they had to accept the fact that the Tupac Amaru members had escaped.

How can such a mistake be justified? As the result of the presence of several authorities in the operation, one for each police force, or as mere ineptness combined with fear and perplexity? The fact is that, if the police had acted wisely and with common sense the attack on the Police Club would not have been anything more than another of the many known to the public. That did not occur, and the incident became a political event of major significance which occupied the front pages of nearly all the newspapers.

How They View Themselves

The graphics which we offer were prepared by a Civil Guard officer, and are intended to explain the different problems of the police institutions.

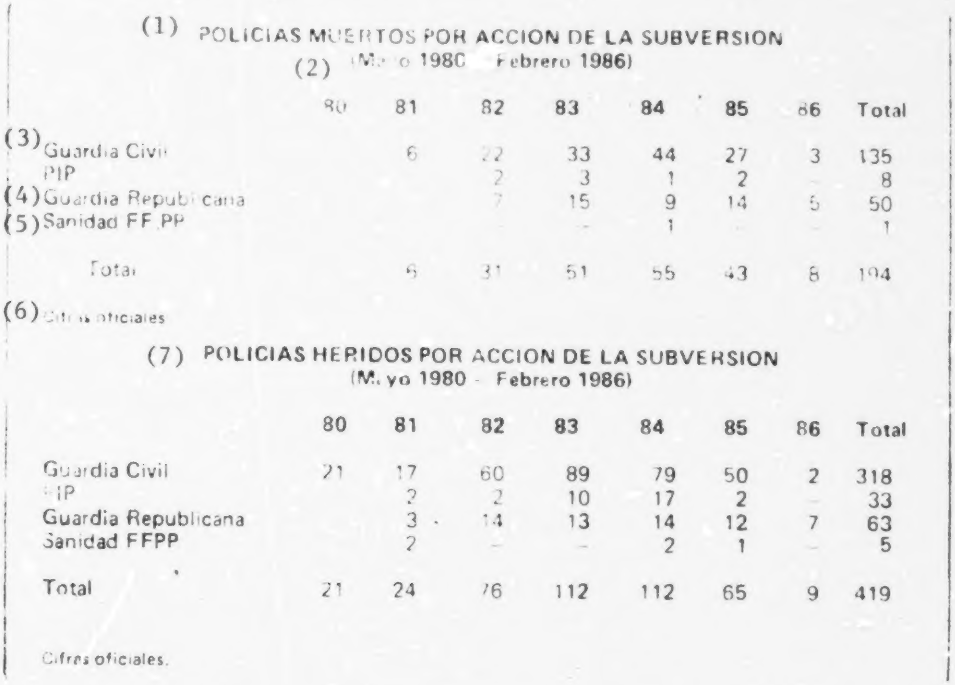
The first one identifies the police as a product of the society which gave them their origin. A communitarian society deserves an ideal institution; an individualistic society won over by the so-called "false values," on the other hand, will deserve an institution inclined toward evil.

The different police institutions are ranked in the second category and are associated with the state authorities. The Republican Guard oversees public services and so-called strategic points; the Civil Guard comes under the executive branch, its mission being to see to public order and to combat those who do not obey the laws that the executive branch must enforce. The GC's task: to prepare the report and to conduct a summary investigation which in no instance may last over 24 hours. Those committing crimes must be sent, at the end of the period, to the judicial branch, to which the Investigative Police must be subordinate. According to the author of the diagram, if this were the organizational chart, the Civil Guard could by no means hold a person for over 24 hours, and the PIP, controlled by the judicial branch, could not commit any type of abuse.

The third graphic compares the pay earned by members of the Armed Forces with that of the police forces. The state offers the former various benefits: gasoline, schools, housing, markets, health, recreation, etc. Hence, their salaries are not spent on covering their main necessitities, as in the case of the police, but rather on more general consumption. For this reason, the policeman resorts to bribes in order to compensate for his meager income.

The fourth graphic illustrates the difference between the military and the police: Whereas the former consist of changeable personnel, coming from Compulsory Military Service, the police have professional "troops." Nevertheless, both are judged by the Code of Military Justice.

These are unquestionably suggestive graphics showing how the police view themselves; and they are without doubt worthy of consideration.



(1) POLICIAS MUERTOS POR ACCION DE LA SUBVERSION
(2) (Mayo 1980 - Febrero 1986)

	80	81	82	83	84	85	86	Total
(3) Guardia Civil		6	22	33	44	27	3	135
PIP			2	3	1	2	–	8
(4) Guardia Republicana			7	15	9	14	5	50
(5) Sanidad FF.PP			–	–	1	–	–	1
Total		6	31	51	55	43	8	194

(6) Cifras oficiales

(7) POLICIAS HERIDOS POR ACCION DE LA SUBVERSION
(Mayo 1980 - Febrero 1986)

	80	81	82	83	84	85	86	Total
Guardia Civil	21	17	60	89	79	50	2	318
PIP		2	2	10	17	2	–	33
Guardia Republicana		3	14	13	14	12	7	63
Sanidad FFPP		2	–	–	2	1	–	5
Total	21	24	76	112	112	65	9	419

Cifras oficiales.

Key to Table 1:

1. Policemen killed by subversive action
2. May 1980-February 1986
3. Civil Guard
4. Republican Guard
5. Police Forces Health
6. Official figures
7. Policemen wounded by subversive action

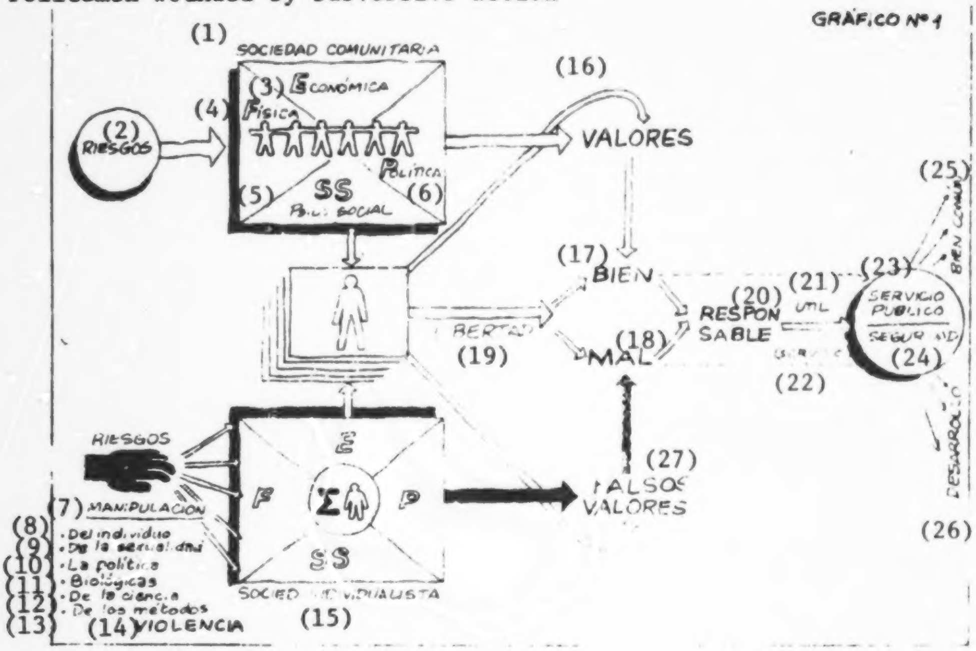


GRÁFICO Nº 1
(1)
SOCIEDAD COMUNITARIA
(2)
RIESGOS
(3) ECONÓMICA
(4) FÍSICA
POLÍTICA
(5) SS
(6)
(16)
VALORES
(17) BIEN
(18) MAL
LIBERTAD
(19)
(20) RESPONSABLE
(21) UTIL
(22)
(23) SERVICIO PUBLICO
SEGURIDAD
(24)
(25)
BIEN COMUN
DESARROLLO
(26)
(27)
FALSOS VALORES
RIESGOS
(7) MANIPULACIÓN
(8) Del individuo
(9) De la sexualidad
(10) La política
(11) Biológicas
(12) De la ciencia
(13) De los métodos
(14) VIOLENCIA
E
F
P
SS
SOCIEDAD INDIVIDUALISTA
(15)

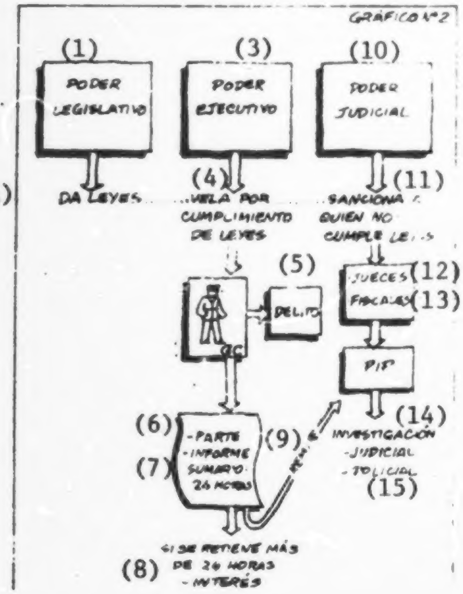


GRÁFICO Nº 2
(1) PODER LEGISLATIVO
(3) PODER EJECUTIVO
(10) PODER JUDICIAL
(2) DA LEYES
(4) VELA POR CUMPLIMIENTO DE LEYES
(11) SANCIONA A QUIEN NO CUMPLE LEYES
(5) DELITO
(12) JUECES
(13) FISCALES
PIP
(6) PARTE
(7) INFORME SUMARIO 24 HORAS
(9)
(14) INVESTIGACIÓN -JUDICIAL -POLICIAL
(15)
(8) SI SE RETIENE MÁS DE 24 HORAS - INTERÉS

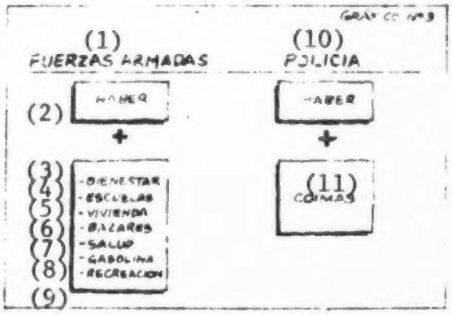


GRÁFICO Nº 3
(1) FUERZAS ARMADAS
(10) POLICIA
(2) HABER
HABER
+
+
(3) -BIENESTAR
(4) -ESCUELAS
(5) -VIVIENDA
(6) -BAZARES
(7) -SALUD
(8) -GASOLINA
(9) -RECREACION
(11) COIMAS

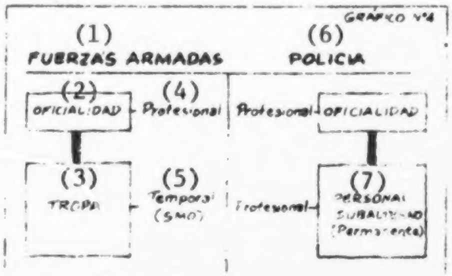


GRÁFICO Nº 4
(1) FUERZAS ARMADAS
(6) POLICIA
(2) OFICIALIDAD
(4) Profesional
Profesional
OFICIALIDAD
(3) TROPA
(5) Temporal (SMO)
Profesional
(7) PERSONAL SUBALTERNO (Permanente)

Key to Graphic No 1:

1. Communitarian society
2. Risks
3. Economic
4. Physical
5. Social-psychological
6. Political
7. Manipulation
8. Of the individual
9. Of sexuality
10. Political
11. Biological
12. Scientific
13. Concerning methods
14. Violence
15. Individualistic society
16. Values
17. Good
18. Evil
19. Freedom
20. Responsible
21. Useful
22. Service
23. Public service
24. Security
25. Common welfare
26. Development
27. False values

Key to Graphic No 2:

1. Legislative Branch
2. Promulgates laws
3. Executive Branch
4. Oversees compliance with laws
5. Crime
6. Report
7. Summary report, 24 hours
8. If held over 24 hours - interest
9. Remit
10. Judicial Branch
11. Punishes those who do not obey laws
12. Judges
13. Prosecutors
14. Investigation
15. Police

Key to Graphic No 3:

1. Armed Forces
2. Pay
3. Welfare
4. Schools
5. Housing
6. Markets
7. Health
8. Gasoline
9. Recreation
10. Police
11. Bribes

Key to Graphic No 4:

1. Armed Forces
2. Officers
3. Troops
4. Professional
5. Temporary (SMO) [Compulsory Military Service]
6. Police
7. Subordinate personnel (permanent)

2909
CSO: 3348/768

URUGUAY

SEREGNI, FERREIRA ALDUNATE ON MILITARY AMNESTY ISSUE

Trials Necessary Says Aldunate

PM281752 Barcelona LA VANGUARDIA in Spanish 25 Aug 86 p 7

[Interview with Uruguayan National Party Chairman Wilson Ferreira Aldunate by Santiago Palacios: date, place not given]

[Text] Buenos Aires--National (Blanco) Party Chairman Wilson Ferreira Aldunate believes that the plan for an amnesty for the military promoted by President Sanguinetti "jeopardizes social peace and upsets the functioning of the constitutional system."

Nevertheless, the leader of the main opposition force admitted in an exclusive conversation with LA VANGUARDIA that he shares the aims prompting the president to submit a "national pacification" plan to parliament.

However, Wilson Ferreira deems it essential to hold some trials, especially in proven cases of flagrant rapes of detainees by their captors.

Wilson agreed to the interview a few hours after his summit meeting with Sanguinetti. Here is the conversation:

[Palacios] Why, in your opinion, is an amnesty not the best way to achieve a reconciliation between the opposing sectors of Uruguayan society?

[Ferreira] The amnesty would not achieve the desired aim; on the contrary, its approval would jeopardize social peace, assail the normal functioning of the constitutional system, and harm the Armed Forces themselves more than anybody else. The country needs to be pacified, to emphasize the future, and to finally close a very painful chapter in its history. My party is not prompted by aims of revenge, but we believe that anything that ties us to technical formulations could be counterproductive. At the personal level I am optimistic that an agreement can perhaps be reached between the country's political forces, comprising the government and the opposition, and, if this is not possible, that at least an agreement among some of them will be achieved.

[Palacios] What is your opinion of the declaration approved by a group of retired generals who operated under the Armed Forces' government, including five former commanders in chief of the Uruguayan Army, taking responsibility for their subordinates' actions?

[Ferreira] It does not seem to me that the Armed Forces' prestige is to be defended by taking pride in actions which were nothing to feel proud of. It is said that the country experienced a dirty war and that all wars are dirty. This is an opinion which may be shared but which can never be used to justify, for instance, the rape of a woman detainee by her captors. The Armed Forces' necessary rehabilitation in Uruguayan society will not be possible until an elementary examination of conscience is conducted. Those drafters of manifestos and proclamations would do better if they took refuge in anonymity, which could be their best safeguard. If they keep quiet, it will be more likely that we will forget them.

[Palacios] Is this amnesty advocated by the Uruguayan Government comparable with the amnesty proclaimed in March 1985 for the benefit of the political prisoners sentenced by military justice?

[Ferreira] It is not, because that law opened the prisons' doors for those who, in thousands, in some instances endured 12 or 13 years' imprisonment in subhuman conditions without having enjoyed the guarantees of a real trial by an independent or respectable justice.

[Palacios] The National Party will in its turn submit its plan for parliament's consideration. What methods will it promote to resolve the problem?

[Ferreira] It will be aimed at specifiying the Supreme Court of Justice's jurisdiction, prescribing summary proceedings which will prevent cases dragging on in the courts. Our plan for the "defense of democracy and national pacification" will restrict trials to those cases which have been the subject of complaint prior to its approval and to the gravest crimes; adopting, moreover, the necessary guarantees to avert situations provoking political tensions and eliminating the possibility that the investigation, for instance, of crimes now affecting the civil status of children taken from their parents at the time of their detention and still missing could be accepted or prevented in the course of time.

Categorial Rejection by Seregni

PM020820 Barcelona LA VANGUARDIA in Spanish 26 Aug 86 p 9

[Interview with Uruguayan Broad Front leader Liber Seregni by Santiago Palacios: date, place not given]

[Text] Beunos Aires--The Blanco Party, although inclined to find a negotiated solution, has given its rejection. Broad Front leader General Liber Seregni expresses his opinion even more categorically: "It is the whole of society which demands that the deaths and disappearances be elucidated." In a conversation with LA VANGUARDIA, the leader of the coalition comprising the left-wing forces said that he could not imagine a stable democratic system "if it is accepted that those who violated human rights should go unpunished by the law."

[Palacios] What does the Broad Front propose instead of a solution to this problem which constantly seems to jeopardize the process of redemocratization of Uruguay?

[Seregni] We have said that our demand that the law take action is made in the certainty that it is the essential condition for democracy to be consolidated. In order to heal the wounds of the past, it is essential that the facts be clarified, that it be known what happened, and if crimes were committed--everything suggests this--that the civil law take action. Hence the slogan brandished by the Broad Front: "Truth and Justice." It is not our intention to seek revenge, nourish hatred, or preach vengeance; we demand truth and justice.

The Broad Front believes that it is necessary to elucidate, within the scope of the law, the cases concerning human rights violations in which military and police personnel are involved.

[Palacios] Will the Broad Front put forward an alternative bill to that which the government will submit to parliament in the next few hours?

Consensus Solution

[Seregni] We have not contemplated this because we advocate, and have advocated since the November 1984 elections, a consensus solution among all the political forces. At that time we all accepted the agreement that the party which emerged victorious in the elections would not promote hatred or revenge, but that justice would be meted out to those responsible for the crimes against humanity committed against Uruguayan citizens inside and outside the country's borders.

Today the stance of the ruling Colorado Party and of President Julio Maria Sanguinetti is different. They seek to pacify the country through an a priori amnesty for the military personnel presumably involved in grave crimes against the individual, and we believe that this will not help the attainment of the desired aim.

On the contrary, the Broad Front believes that in this way the disagreements splitting Uruguayan society will be deepened. The amnesty, as the ruling party views it, was rejected by all the opposition political parties, and this is what we told the president of the republic at the time. Nevertheless, the executive power decided to go ahead with a plan which would accept impunity and arbitrary action.

It is not sufficient for human rights to be respected now and for people to pledge to respect them in the future. A society cannot be established on sound foundations if it accepts that those who violated human rights should go unpunished by the law.

[Palacios] Could a referendum be called to enable the Uruguayans to decide through the ballot box what the accused military personnel's future should be?

[Seregni] I do not believe that a solution can be found just now by means of this expedient envisaged by the constitution. It is a matter of setting in motion through the decision of all the political and social forces, which are the country's whole population, the most rapid procedure for meting out justice and for exposing at last the truth about what happened under the dictatorship.

Society must not remain immersed in an atmosphere which would inevitably lead us along paths which we Uruguayans do not wish to travel.

[Palacios] The government has accused the Left of provoking the confrontation by calling for saucepans to be beaten while military personnel were meeting to assess the situation, or by organizing, as the Broad Front did, a motorcade which went through the city of Montevideo distributing its literature.

[Seregni] This seems to me a mistaken criticism, since the facts demonstrate that it is the whole of society which demands that the deaths and disappearances be elucidated. Moreover, the Broad Front proposes not only a fairer society, but also a more participatory society. We fervently support the people peacefully demonstrating their democratic and pro-human rights vocation.

/9716
CSO: 3348/792

BRIEFS

PRC DELEGATION VISITS CONGRESS--The International Relations Committees of the Senate and the Chamber of Deputies met today with members of the PRC Parliament, which is officially known as the National Popular Assembly of the People's Republic of China. The PRC delegation was headed by (Teng Tao), vice president of the Foreign Affairs Committee of the National Popular Assembly, who told Carve that the purpose of the visit is to promote closer ties with members of the Uruguayan Congress. [Text] [Montevideo Radio Carve in Spanish 0000 GMT 5 Sep 86 PY]

MALTESE PRESIDENT'S VISIT--Montevideo, 30 Aug (EFE)--Maltese President Agatha Barbara today arrived in Montevideo, the first leg of an official 20-day tour through Latin America which also includes Argentina, Brazil, Peru, Colombia, and Costa Rica. Barbara, who was met at Carrasco airport by acting Foreign Minister Alberto Rodriguez Nin, will make a private visit to the Punta del Este and Colonia. Official sources have announced that Barbara will start her official visit next Tuesday, meeting with Uruguayan President Julio Maria Sanguinetti and Vice President Enrique Tarigo. Later, the Maltese president will meet with Foreign Minister Enrique Iglesias, Supreme Court officials, and the Senate and Chamber of Deputies international affairs commissions. Montevideo intendant (mayor) Jorge Luis Elizalde will give President Barbara the keys of the city of Montevideo. Agatha Barbara will end her visit to Uruguay on 4 September and will then go to Buenos Aires. [Text] [Madrid EFE in Spanish 1855 GMT 30 Aug 86 PY]

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END

JPRS-LAM-86-092

25 SEPTEMBER 1986

Latin America Report

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BRAZILIAN DELEGATION TO ESCORT CHILEAN EXILES RETURN

PY081507 Sao Paulo FOLHA DE SAO PAULO in Portuguese 7 Sep 86 p 14

[By Clovis Rossi]

[Excerpts] A delegation of Brazilian congressmen will escort a group of approximately 30 Chilean exiles in an attempt to return to their country on Tuesday, 9 September, on Flight 204 of Aerolineas Argentinas that will leave at 1030 [1330 GMT] from Buenos Aires. Senator Severo Gomes of the PMDB [Brazilian Democratic Mobilization Party] will act as representative of Sao Paulo Governor Andre Franco Montoro; Federal Deputy Flavio Bierremback will represent the PMDB; and acting alternate Federal Deputy Plinio de Arruda Sampaio will represent the PT [Workers' Party].

The "Operation Return" has two important objectives: One is to challenge the government of General Augusto Pinochet, since the exiles are included in a list of exiles whose return is forbidden by Chilean authorities; and the other is to emphasize the Brazilian Government's support for the Chilean opposition forces.

Brazilian Ambassador to Chile, Jroge Ribeiro, is in Brazil and not by chance: 11 September marks the 13th anniversary of the coup that took Pinochet to power, and Itamaraty has called in the ambassador to spare him the embarrassment of having to attend the official celebration.

The challenge implied by "Operation Return" is given added importance by the participation of congressmen from Argentina, Uruguay, Mexico, Venezuela, United States, Great Britain and Italy--in addition to the Brazilian congressmen, who will depart for Buenos Aires tonight. The most symbolic figure of the Chilean exiles--Hortensia Allende, widow of constitutional President Salvador Allende, who died during the uprising on 11 September 1973--is likely to join the group of exiles making an attempt to return to Chile.

Hortensia Allende will make her decision tomorrow, 8 September, during a meeting of all the participants of the "Operation Return" at 1100 [1400 GMT] in the Chamber of Deputies of the Argentine Congress.

/12913
CSO: 3342/186

BRIEFS

VENEZUELAN AID TO HAITI--Caracas, 25 Aug (AFP)--Venezuelan Foreign Minister Simon Consalvi reported today that Venezuela will assist Haiti in the areas of energy, health, and the struggle against illiteracy. Consalvi, who paid an official visit to that Caribbean island where he held important meetings with Henri Namphy, president of the National Government Council, and other personalities, reported that during his talks he discussed the aid that Venezuela could offer. "The critical areas," Consalvi explained, "in which Venezuela could help would be in regard to energy, the process to fight deforestation in that country--because its inhabitants use wood as fuel--the struggle against malaria, and the literacy campaign." [Text] [Paris AFP in Spanish 0231 GMT 26 Aug 86 PA]

FORMER VENEZUELAN PRESIDENTS VISIT HAITI--Haiti's provisional president General Henry Namphy held talks yesterday with a group of visiting Christian Democratic Party leaders touring Haiti. Mr Namphy and members of the National Council of Government, installed after ousted President Duvalier fled for France, met with former Venezuelan presidents Luis Herrera Campins and Rafael Caldera. The visitors reportedly just wanted to learn more about the island. [Text] [Bonaire Trans World Radio in English 1130 GMT 19 Aug 86 FL]

/9716
CSO: 3348/787

IMPLICATIONS OF ARMS SALES TALKS WITH ANGOLA; CASCAVEL SALE

Advisability of Sales Questioned

Lisbon TEMPO in Portuguese 8 Aug 86 p 25

[Text] When Angolan Trade Minister Ismael Gaspar Martins announced in Brasilia that his government was negotiating the purchase of weapons materiel from ENGESA, the news caused a certain amount of embarrassment in diplomatic circles. There are reasons for this. First, because the weapons, if they are sold, are to be utilized in combating UNITA troops--and, in this case, Brazil will find itself in a rather delicate situation, supplying combat vehicles and weapons to arm a civil war that is tearing that friendly country to pieces from within. Second, because the export of military equipment to Angola represents, in strategic and South Atlantic geopolitical terms, a threat to the hemisphere and to national security itself.

It is clear that for some diplomats, always ready to disguise foreign relations in the pragmatism of the moment, the problem is not stated in such a way, but rather in a completely different manner: the purchase proposal comes from the legitimate government of Luanda and it is irrelevent whether that government is Marxist, whether it will pay for the order in the long run, or whether the "Urutus" will be maneuvered by Cuban mercenaries against the peoples of the central highlands who support Jonas Savimbi, or against the blacks of the musseques who cry out for liberty and for food. What is important is to do business, and, above all, to broaden relations with Portuguese speaking Africa without ideological complications, and to strengthen the MPLA which, despite everything, has maintained itself in power since 1975 --though controlling only a portion of the territory.

Brazilian Armed Forces officials, meanwhile, are accustomed to another view, not only with respect to the Angolan situation but also to the Soviet Union's intentions in the South Atlantic. And as the sale of arms necessarily must be reviewed by the Ministry of the Army, it is possible that the current negotiations will not be finalized. In any case, news of these negotiations should not be analyzed outside the context of a more developed and aggressive "African politics." The statements by President Jose Sarney in Cabo Verde, during his visit to that country; the re-establishment of diplomatic relations with Cuba; the constant references to historical, ethnic and linguistic affinities, etc, demonstrate that Brazil "wishes to take a step forward" to have, mainly in the former Portuguese colonies, a definite influence in the former Portuguese colonies, a definite influence in the spheres of cooperation, trade, culture and technology.

There are risks associated with this position--for example, if tomorrow UNITA or RENAMO were to take power in Luanda or in Maputo, Brazil would be embarrassed, and would be looked ill upon for its open policy, ever since the independence of the two countries, of supporting the viewpoints of MPLA and FRELIMO. Meanwhile, more serious is national security, if the Soviet Union were to consolidate its influence in the cone of African and the South Atlantic, through a strategy of neo-colonialism, much more perverse than that of the old European regimes, and which Brazil is encouraging, consciously or not. Even so, leaders of the current foreign policy find that it is worth the trouble to run those risks, and they ignore certain contradictions, such as selling arms to Angola, so that Angolans may kill each other, or condemning the government of South Africa for apartheid while remaining silent when six Guineans are executed by firing squad in Bissau, accused of conspiring against President Nino Vieira, or when the people of Angola and Mozambique are denied the simple right of choosing their regime and of electing their government.

Arms Contract Signed

Lisbon SEMANARIO in Portuguese 14 Aug 86 p 56

[Text] According to AFRICA CONFIDENCIAL, Brazil and Angola have concluded a $150 million contract in which the former will supply military vehicles --including the well known Cascavel tank--and will establish a large office in Luanda for the repair of military trucks supplied by the Soviets.

13026/9435
CSO: 3342/172

BRAZIL

FOREIGN MINISTER PRAISED FOR STANDING UP TO CUBA

PY070239 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Sep 86 p 3

[From the "Notes and Information" page, editorial entitled: "The Foreign Minister's Firm and Clearheaded Attitude"]

[Text] On 31 August this newspaper published on page 1 an impressive photograph, one so dramatic that it required no further explanation: a man holding a cocked pistol was preparing to finish off another man who was lying on the floor. The victim was one of the thousands of persons executed in Cuba, but the man holding the gun, the man who was there personally to finish up the work of the executioners was someone perfectly identifiable: Colonel Rene Rodriguez Cruz, one of the diplomats that Fidel Castro planned to send to serve in the future Cuban embassy in Brazil. It is certain that the questions which this disclosure must have aroused among the public were something like this: Could it be so difficult to find among the members of the Cuban diplomatic corps people who have not served as executioners in firing squads? Could it be that such a "record" is seen as an honorable qualification by Castro's regime? Is this the regard that the Cuban leader-for-life has of the feelings of the Brazilian people? Is this proof of the serious charges that Cuban writer Armando Vallares has made concerning the "undiplomatic" objectives of the diplomats of Castro's regime, who are about to set up shop in our country?

Regardless of the answers to these questions, the truth is that the disclosure in question left everyone confused. This prompted Brazilian Foreign Minister Abreu Sodre to clearly and firmly state in public that the Brazilian Government does not agree to the appointment of the above mentioned Cuban official for duties in Brazil.

"The guy in the photograph is not coming to Brazil. Furthermore Itamaraty will not have to backtrack in this regard because the talks that we have held before relations were resumed were harsh enough," the minister said. Speaking about the charges of Cuban Armando Valladares, according to whom Fidel Castro's Government will take advantage of the resumption of relations to send diplomats trained in guerrilla warfare to try to overthrow the regime of freedom in Brazil, Abreu Sodre said that he was not worried. He explained: "The talks we held were not made public, but they were harsh enough. They (the Cubans) know that they will have no leeway for this kind of activity."

This is a timely and reassuring piece of information that the foreign minister has conveyed to the people. Although the people at large do not know the substance of the talks between the two countries during the negotiations to reestablish diplomatic relations, it is quite obvious now that the Brazilian Government has taken due precautions, and Minister Sodre's words constitute a clear warning for Cuban diplomacy. It is understood that should the Cuban Embassy officials in Brazil engage in diversions, distortions, politico-ideological activities, or any other kind of incompatible with strictly diplomatic duties, the relationship between the two countries may be revised. In fact, nothing else could be expected.

The truth is that by appointing the "executioner" colonel for a tour of duty in our country, Cuban diplomacy launched its renewed relations with our country by sticking its foot in the door. As we said in an earlier editorial, Cuba's attitude was in marked contrast with that of Itamaraty, which chose a highly respectable and qualified person to serve as Brazil's ambassador in Havana. After this episode one can hardly fail to notice the qualitative difference between the diplomacies of the two countries, or at least between the sensitivity of the two governments.

Meanwhile, the incident gave the Brazilian Foreign Ministry an opportunity to demonstrate its firm respect for certain rules of behavior that Fidel Castro will not be able to ignore in the future at the risk of seriously jeopardizing the resumption of relations between Brazil and Cuba.

/12913
CSO: 3342/187

BRAZIL

ENGESA LAUNCHES DRIVE TO WIN INTERNATIONAL ARMS MARKETS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Aug 86 p 2

[Article by Roberto Godoy]

[Text] The Brazilian weapons industry is launching an international offensive to conquer new markets for its products, which are used by the armed forces of 32 countries. A diplomat attached to the Itamaraty Department of Trade Promotion has revealed that one of the most promising regions for this new business is southwest Africa. According to the official, the sale to Angola of 90 Cascavel EE-9 light wheeled tanks equipped with 90 mm cannons "is practically certain." The manufacturer, ENGESA--Engenheiros Especializados S/A, is working to fulfill a sales contract for trucks of mixed military-civilian use for the Angolan government, and according to a statement by Foreign Trade Minister Ismael Gaspar Martins during his visit to Brasilia, the trip taken by specialists of the firm, who were in Luanda the first half of July, initiated discussion of a broader program, aimed at the recovery of local manufacturing zones, partially abandoned or technologically behind.

In the Middle East other markets have recently opened, such as Jordan, interested in purchasing $50 million worth of arms produced in Brazil. This deal, still not concluded, was confirmed by the prime minister himself, Said Al-Rifai, in Aman, when he declared to European reporters that it is the intention of his country to obtain defense materiel outside of the England-France-United States axis, "to reduce the level of direct dependence."

According the diplomat's statement to O ESTADO, the chances of the weapons industry finalizing new export agreements are excellent: The ENGESA mission alone, which traveled through 18 cities in 15 countries on 3 continents during the limited time period of 23 days, during which the group's executives flew 65 hours, should result in direct contracts on the order of $450 million, "or more."

For "Cimitarra"

Part of the equipment to be manufactured for the Jordanians is destined for the Cimitarra special operations regiments, the elite troops of King Hussein's army, directly responsible to the monarch who recruits members from the bedouin tribes connected to his family. The 500 men in each batallion are paratroopers, divers, and specialists in sabotage techniques. Two levels of martial arts and anti-terror or anti-guerrilla operations have also recently been incorporated into the training routine. Technically defined as a light infantry unit, they have used, until now, semi-armored trucks and common jeeps, on which were mounted gun carriages for 76 mm anti-tank cannons or M-60 machine guns. The modernization process of the Cimitarra soldiers implies acquiring wheeled tanks.

The Third World

That is not all. Executive directors in the industry and Brazilian government officials are negotiating with Egyptian authorities the finalization of a cooperation agreement which will permit the establishment of a line of partial manufacturing, under license, of military equipment in the industrial zone of Cairo, as has already occurred with the Tucano turboprop training planes from EMBRAER, which have been purchased by the Egyptians and passed on (80, out of a lot of 120) to Iraq. A similar proposal was recently concluded with Saudi Arabia.

Besides strengthening relations with traditional buyers such as Iraq, the manufacturers of national defense systems are expanding their contacts in the Middle East and East Africa, where Zimbabwe maintains a fleet of an estimated 100 Cascavel tanks and Tanzania, whose ground forces are usually supplied by the Soviet Union, now wishes to consider acquiring Brazilian arms.

In Latin America, Equador's Army and Air Force are considering acquiring new ENGESA tanks, Tucanos to re-equip the training squadrons, and AVIBRAS air-to-surface missiles. In Asia, the general staff of Malaysia has indicated that the country is resuming the modernization program of its arsenals, a plan that was interrupted after the fall of former Prime Minister Hussein-Bin-Onn in 1981. With regard to the Brazilian arms industry, the Kuala Lumpur generals intend to re-examine the memoranda of that period involving the terms for the eventual sale of grenades, mines, surface-to-surface missiles, various components, ammunition, fuels and optical accessories, and have also solicited detailed information from AVIBRAS on new equipment--especially in the aerospace field.

The Brazilian defense industry currently comprises some 350 firms directly and indirectly involved in the field, employing more than 100,000 persons. In 1985 exports that were finalized brought in some $800 million, but this year the final figure, estimated in December at $1.1 billion, is still unclear: instability following the price fall in the oil market and the economic instability of developing countries could cause a reduction in orders, either executed or on the books, which would cause the industry to remain at about the same level as last year.

13026/9435
CSO: 3342/172

SARNEY SIGNS FIRST ADMINISTRATIVE REFORM DECREES

PY041707 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT
3 Sep 86

[Text] President Sarney today signed the first administration reform decrees. One of the decrees will allow the government to learn how many employees work for it, how many earn more than one salary, and where they work.

In another decree, the government adopted five measures: To transform the Administration Ministry into a secretariat dependent on the presidency. This secretariat will have greater power to carry out the reform.

Second measure: The SCEST, the State Companies Control Secretariat [Secretaria de Controle das Empresas Estatais] will have greater power to get involved in and to supervise state companies.

Third measure: The state companies will have to explain their deficits.

Fourth measure: A national administration school will be created to better prepare public employees.

Fifth measure: An administrative reform executive group will be created.

Although there are no official statistics, the government calculates that there are 10,000 public employees in Brasilia holding more than two public positions. In order to end this, the salary payments for all public employees will be concentrated in the Treasury Secretariat of the Finance Ministry.

Through the use of computers, the government will be able to learn which public employees have more than two regular public jobs.

After President Sarney signed the first administrative reform decrees, Administration Minister Aluizo Alves said in an interview that the relocation of employees will depend on the draft bill that will be sent to Congress.

Regarding the case of holding different public positions, Minister Alves explained that this will depend on each case.

[Begin Alves recording] If holding different posts is allowed by the Constitution and the law, there is no reason to deprive a public employee of a right guaranteed by our Constitution and law. Now, if it is not allowed, (?the situation) will be corrected immediately. [end recording]

/9716
CSO: 3342/184

EMBRAER TO ADAPT TUCANO FOR ANTIGUERRILLA OPERATIONS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Aug 86 p 6

[Text] The Brazilian Air Force is progressing in its studies of a new version of the Tucano--principal training plane for military pilots--designed for antiguerrilla operations, reconnaissance and tactical support. The new model will operate primarily on the northern, northeastern and western borders of the country, considered "hot spots" by the FAB High Command. In Peru and Colombia, some guerrilla activities are taking place in the proximity of the Brazilian borders, while on the Bolivian border drug smuggling is common.

The Tucano planned by EMBRAER is a trainer, 118 examples of which the FAB has already received, ordered at the beginning of the program. Eighty are at the Air Force Academy in Pirassununga, 70 being utilized in the training of cadets and 10 in the Smoke Squadron. The other 38 planes are located at the Lagoa Santa airpark, awaiting final destination. The plane is one of EMBRAER'S biggest sales successes on the international markets, advertized at $1.2 million apiece. The air forces of England, Egypt, Iraq, Venezuela and Honduras already use these planes for training their pilots.

But the Tucano can also be turned into a powerful factor in tactical support or solo attack, in other words a powerful antiguerrilla weapon, as it is endowed with the capacity to transport a ton of bombs, rockets, missiles, heavy machine guns or light cannons.

For the antiguerrilla mission specified by the FAB, EMBRAER will exchange the original 850 horsepower motor for one of 950 horsepower and will install a portable computer, besides re-covering the fusilage in "kevlar"--a synthetic fiber that provides light armoring, like a bullet-proof vest, impervious to small arms. But other changes will be made for armed reconnaissance missions. For example, the incorporation of an HUD (headup display) for quick orientation, and an attachment on the wing or on the forward section for the installation of photographic cameras.

13026/9435
CSO: 3342/172

BRAZIL

REPORTAGE ON SAO PAULO BUS WORKERS' STRIKE

State of Emergency Ordered

PY291957 Madrid EFE in Spanish 1654 GMT 29 Aug 86

[Text] Sao Paulo 29 Aug (EFE)--The city of Sao Paulo, with more than 10 million inhabitants, this morning woke up to a state of emergency ordered last night by Mayor Janio Quadros in reply to the threat of a bus strike next 1 September by the transport sector.

The mayor's extreme measure has surprised the central government and politicians, who consider it as disproportionate, hasty, and unconstitutional, according to Justice Ministry Political Adviser Carlos Pelegrino.

Pelegrino believes that the mayor has the power to decree the state of public calamity only during chaotic situations in the municipality and that Sao Paulo State Governor Franco Montoro may intervene by replacing Janio Quadros in case the state of emergency causes public unrest in the city.

The measure has also worried the leaders of the Brazilian Democratic Movement Party [PMDB], the largest party of Brazil, which has scheduled a mass demonstration for this afternoon in support of its candidate for Sao Paulo Governor Orestes Quercia.

PMDB President Ulysses Guimaraes commented with scepticism that "this measure was taken on account of the transport strike, but there have been so many strikes in this country already, and we have never adopted this measure."

Municipal Legal Affairs Secretary Claudio Lembo admitted that "the measure may lack legal status since the strike has not yet taken place," but he justified Janio Quadros' decision as "action of the municipality in anticipation of a serious event."

The bus drivers and conductors strike in demand of better salaries will be decided during by a vote in an assembly on 31 August, and it will paralyze all public transportation as of 0800 on 1 August, stranding 7 million passengers in this capital.

There is also a risk that the strike may extend to other municipalities around the state capital like in Guarulhos, the ABC sector [Santo Amara, Sao Bernardo, and Sao Caetano municipalities] and Campinas, once it starts in Sao Paulo.

Strike Paralyzes Sao Paulo

PY020324 Rio de Janeiro Rede Globo **Television in Portuguese** 2255 GMT 1 Sep 86

[Excerpts] The Sao Paulo bus drivers and conductors strike today stranded millions of people. The nearly 50,000 bus drivers want a 40 percent salary increase.

The strike was called last night during a meeting attended by approximately 3,000 workers. Buses remained in garages, while bus stations and bus stops were full of people waiting in vain.

Meanwhile, this afternoon, the regional labor court ruled the bus drivers strike illegal. However it decided to grant a 5.8 percent salary increase for bus drivers and conductors. The labor minister who is in Sao Paulo following the negotiations between trade unions and authorities said that the salary increase should not affect the price of bus fares. He said that the government is studying different alternatives to solve this problem.

Just a while ago, during a meeting of more than 300 workers, the bus drivers decided to return to work.

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CSO: 3342/184

BRAZIL

BRIEFS

TRADE UP; COFFEE REPORT--In the first few months since the Argentine-Brazilian economic agreements were signed, there has been a 40-percent increase in Brazilian exports to Argentina and a 25-percent increase in the Argentine exports to Brazil, compared to the same period last year, i.e., the months of July and August. The Itamaraty General Secretariat for Economic Matters yesterday forecast that the total value of the trade originating from the agreements between the two countries will be some 14 billion cruzados, or $1 million [figures as heard]. Although only 7 million out of the 11 million coffee bags harvested during the 1986 crop are suitable for export, Brazil will not negotiate its quota of 17 million bags at the International Coffee Accord that will meet in London on 15 September. The Brazilian Coffee Institute [IBC] has explained that this decision was made on the basis that Brazilian coffee production is expected to return to normal levels within the next 2 years. The IBC also emphasized that the reduction in this year's crop was due to last year's drought. [Text] [Brasilia Radio Nacional de Amazonia Network in Portuguese 1000 GMT 29 Aug 86 PY]

SARNEY SATISFIED WITH CRUZADO PLAN--The Cruzado Plan has fulfilled its objectives. It has put an end to self-fueled inflation, monetary corrections, and the policy of price markups. President Jose Sarney made this comment to O GLOBO at the end of the 6th month of the Economic Stabilization Plan. The president said that "the plan froze prices, reduced the cost of living, and increased the purchasing power of wage earners. These objectives have been attained. Now we must move on to another stage in order to truly stimulate investments, promote economic growth, improve the incomes, and in general to attain the status of a socially fair and economically stable society. He went on to say that the problems that have cropped up are circumstantial and they are mainly operational. They have nothing to do with the structure of the plan. We must not forget that the plan is not the objective, but rather the means to improve the standards of living of the people." [Text] [Rio de Janeiro O GLOBO in Portuguese 24 Aug 86 p 44 PY]

URUGUAY CLOSES BORDER CHECKPOINT--The Uruguayan Government has closed the border with Brazil in Chuy Rio Grande do Sul state. According to the Uruguayan Government, 25 tons of Brazilian products which were being smuggled into Uruguay were confiscated from 30 August to 1 September. [Text] [Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 4 Sep 86 PY]

EARTHQUAKE FELT--Another strong tremor was felt in Joao Camara in Rio Grande do Norte State. The tremor registered 4.3 degrees on the Ritcher scale. It lasted longer than the tremor felt on 21 August, but had the same intensity. Joao Camara mayor Jose Ribamar Leite said that the quake was felt at 2222 last night. Many people panicked and ran to the local health unit. More than 300 people suffered nervous breakdowns and were treated by the doctors. Part of the population is abandoning the city, scared of returning home. [Text] [Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 3 Sep 86 PY]

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CSO: 3342/184

RIGHTIST POLITICIANS SAY AD PROPOSAL POSITIVE

PY160022 Santiago Radio Chilena in Spanish 2300 GMT 14 Aug 86

[Text] Rightist political sectors termed the Democratic Alliance's [AD] political proposal as positive. National Action leader Federico Willoughby said that the AD document shows great maturity regarding the country's reality. In turn National Party leader Pedro Correa said that the AD proposal must be considered by the Armed Forces and all citizens as a serious approach to a peaceful solution to the presidential succession problems.

Correa told Primera Plana that the AD proposal gives particular importance to the need to reach an agreement with the Armed Forces and Carabineros within broad, real, and open terms, to attain a real transition to democracy.

[Begin Correa recording in progress] ...including the measures and the people who must conduct this process. [Passage indistinct] a reform to modify the transitory articles of the Constitution. If their actions follow the thinking of their proposal, then we will see that the AD wants to get involved with a broader sector of the citizenry to reach an agreement for a transitory government.

This proposal is also a categorical reply to Marxist-Leninist attempts to (impose) on us anti-democratic formulas. [end recording]

In turn, Federico Willoughby said that the AD proposal has different characteristics from the positions it had maintained in the past. He said that it shows greater maturity and more deepness in the evaluation of the country's reality.

[Begin Willoughby recording] First, I think that the fact of acknowledging the need to deepen the National Accord document is very important. Second, the realism with which the AD faces the need to reach an agreement with the Armed Forces and Carabineros in order to arrive to a real transition is very important.

However, I still believe that this presents a dichotomy, because the Armed Forces regime is politically conducted by the president of the republic, who at the same time is the commander in chief of the Armed Forces. Therefore, it is a contradiction to say that the chief of state is the main obstacle for the return to democracy, because the commanders in chief of each institution have allowed him, by their own will and constitutional order, to conduct the process. [end recording]

Willoughby added that the development of this situation is a problem for the future. However, the important thing is that the AD has been changing its position of not being aware of our reality and of the regime itself, in order to seek an agreement which will allow us to attain democracy.

/6091
CSO: 3348/782

CARABINEROS REMOVE BLOCKADE; 2 ARRESTED

PY210116 Santiago Domestic Service in Spanish 2300 GMT 20 Aug 86

[Text] Carabineros were able to control a group of students who were trying to block the traffic on Vicuna Mackenna Avenue in Santiago.

Students from several schools of the Andres Bello Campus of the University of Chile participated in the incident. The students blocked traffic by placing two cars on the corners of Vicuna Mackenna Avenue and Belgrado Street.

Uniformed police arrived at the scene with four gas launching vehicles [vehiculos lanza gases] and one water cannon. A professor of the School of Journalism stated that two students from that school were detained inside the school, when members of Carabineros and special forces entered looking for demonstrators.

The detained students were identified as Marcos Sotomayor, a student of the School of Journalism, and Patricio Hurtado, a student of the School of Sociology, who have presumably been taken to the 4th Precinct of the uniformed police.

During the incident, the students erected barricades on several streets, including Rancagua, the corner of Portugal and Marcoleta Streets, and Vicuna Mackenna Avenue.

However, Carabineros were able to control the situation, thus permitting a normal flow of traffic.

/6091
CSO: 3348/782

POLICE DISPERSE DEMONSTRATORS, ARREST PRIESTS, NUNS

PY230130 Paris AFP in Spanish 0012 GMT 23 Aug 86

[Text] Santiago, 22 Aug (AFP)--Spokesmen of the Vicariate for Catholic Solidarity have reported that approximately 30 priests, nuns, and laymen were detained today in Santiago as police repressed a protest march against President Augusto Pinochet's military regime.

The demonstrators left the colonial-style Franciscan Temple, in downtown Santiago, in a silent column and headed for a nearby hospital, where a dissident student is interned who, according to witnesses, was burned alive in early July by an Army patrol.

A priest and member of the Confederation of Religious Organizations of Chile who took part in the demonstration said: All we wanted to do was to deliver the money that had been collected during the mass to help pay for the treatment of the burned young girl.

The police used truncheons, tear gas, and water cannons to disperse the demonstrators.

The Vicariate has reported that among those arrested are 18 priests, a smaller number of nuns, and a dozen civilians.

The burned girl, Carmen Quintana, has serious lesions covering 60 percent of the body, and despite her improved state of health, her life is still in danger, according to her doctors.

Another young person captured with Carmen by the military patrol, photographer Rodrigo Rojas, 19, died from burns he suffered when the soldiers sprayed him with gasoline and set fire to him.

/6091
CSO: 3348/782

SEVERAL WOUNDED IN INCIDENTS IN LA VICTORIA

PY050233 Paris AFP in Spanish 0046 GMT 5 Sep 86

[Text] Santiago, 4 Sep (AFP)--A cordon of policemen and soldiers today surrounded the workers neighborhood La Victoria in southern Santiago, after three persons, including one Chilean Air Force private, were injured during incidents.

As night fell, the streets of this neighborhood known for its belligerent opposition to President Augusto Pinochet's military regime, were strewn with smoking remnants of barricades, while hundreds, perhaps thousands of workers were gathering stones to get ready for the military. Meanwhile the troops kept their distance, backed up by armored vehicles deployed at key locations.

We have reached an understanding. They will not come and the residents will stay inside the neighborhood and not attack them, explained Pierre Dubois, the French parish priest of La Victoria. I hope it works, he added.

A few minutes earlier, amid an atmosphere that foreshadowed a violent confrontation, Dubois stubbornly stood in front of a police car preventing it from moving against the neighbors who had blocked a street.

The agents unsuccessfully tried to push the priest out of the way while bombs of asphyxiating gas were exploding nearby and automatic weapons were heard firing. Finally the vehicle changed course and withdrew amid a barrage of stones and insults.

Murderers...murderers, shouted the mob until Dubois managed to cool them down.

Since May 1983, in the course of several successive popular protests against President Augusto Pinochet's military regime, six La Victoria residents have been shot to death as demonstrations were repressed. The most recent victim was priest Andre Jarlan, also French, who was shot in the head by a Carabineros corporal on 4 September 1984.

Today, within the framework of a new drive against the government called for by left-wing groups and organizations, the residents of La Victoria held a mass and marched along the narrow streets of the neighborhood to pay homage to Father Jarlan.

Dona Maria, a neighborhood leader, said: We also commemorated the fact that in the past elections were held every 6 years on 4 September and that in the last election, in 1970, Salvador Allende, the late president who was overthrown by the military, was elected.

Another witness said that the homage ceremonies were peaceful until shots were fired and two children were injured with birdshot. Later, an Air Force private fired his weapon accidentally and wounded one of his comrades and their commander blamed the neighbors of La Victoria.

A woman who was trying to get away from the smoke that poured from a flaming tire in the middle of the street said that we are all worried now because we are afraid that the military and the police will attack tonight.

/6091
CSO: 3348/782

BRIEFS

BLACKOUT IN CONCEPCION--Concepcion, 3 Sep (AFP)--A 45-minute blackout tonight affected several sectors of Concepcion Province and the neighboring military port of Talcahuano while two strong explosions were heard in the area, according to police sources. The power company of Concepcion, 520 km south of Santiago, has reported that the cause of the power outage--which occurred a few hours before the beginning of a stoppage called by the opposition--was still undetermined. Two explosions occurred near a university during the blackout. Carabineros reinforced their surveillance and patrol in several sectors of the region. [Text] [Paris AFP in Spanish 0330 GMT 4 Sep 86 PY] /6091

OPPOSITION LEADERS SENTENCED--A Chilean military court has confirmed its sentence of 15 years in prison for Carlos Enrique Brut Gutierrez, a member of the opposition Movement of the Revolutionary Left. The regime charged Brut Gutierrez with illegally entering the country. The verdict was handed down by the Santiago judge advocate, General Samuel Rojas, who approved identical sentences for Fernando Valenzuela Espinosa, Rita Pena Cardenas, and (Ines Reino Moronguena), all charged with belonging to the same opposition group. The main Chilean opposition groups have reiterated their calls for a general strike next Thursday and Friday to support demonstrations commemorating a rally for democracy sponsored by the Civic Assembly and the Women for Life organization. [Text] [Havana International Service in Spanish 2300 GMT 29 Aug 86 PA] /6091

CARABINEROS THREATEN PROTESTERS--Only 24 hours before another demonstration is staged in Chile, the Chilean regime has ordered a military blockade of the downtown area of Santiago and has declared a leader of the National Civic Assembly not qualified. Carabineros chief General (Rodolfo Stagen) told the Chilean press that his troops will repress those participating in the demonstrations to be staged on Thursday and Friday. The National Civic Assembly said that the head of the Metropolitan Truck Owners Federation was removed from office following a resolution issued by the military government. [Text] [Havana International Service in Spanish 1600 GMT 3 Sep 86 PA] /6091

CSO: 3348/782

COLOMBIA

CTC, CGT, UTC PRESENT DEMANDS; CORRUPTION CHARGES

List of Demands

Bogota EL TIEMPO in Spanish 11 Aug 86 p 8-A

[Article by German Navarrete]

[Text] President Virgilio Barco asked Labor Minister Jose Name Teran to deal with the Memorandum of Needs submitted by Utracun and the labor federations, the Confederation of Colombian Workers (CTC), the General Confederation of Labor (CGT), and the Union of Colombian Workers (UTC). The memorandum consists of four long documents which were sent to President Barco by the representative of the House and president of Utracun, Jose Corredor Nunez, and the presidents of the labor federations, Manuel Felipe Hurtado, Julio Roberto Gomez Esguerra, and Victor Acosta Valdeblanquez. Corredor Nunez announced that in his dual capacity as congressman and labor leader, he will meet immediately with Name Teran to ask that the first bill sent to Parliament be one creating the "National Council of Economic and Social Coordination." This would give management, government, and labor equal representation in the joint effort to find solutions to Colombia's social problems.

CTC Urges Support for Industry

Manuel Felipe Hurtado, in turn, will ask Minister Name and Vice-Minister German Bula to turn the National Wage Council into an entity that will study the behavior of inflation, devaluation, national and international trade, and all economic activities directly related to the buying power of wages, on an ongoing basis. It will also determine measures to catalyze the effects of these factors.

The CTC Executive Committee, finally, told the new government that Colombians want quick and specific measures to deal with the following problems:

1. The increase in inflation.
2. The decline in the quality of services provided by the Social Security Institute (ISS).
3. The crisis in the National Health Service due to the lack of an adequate budget.

4. The need for labor legislation reform to enable all workers in the country to participate and exercise their rights.
5. The need for agrarian reform to change the ways farmland is utilized.
6. Saving the National Railroads with a progressive business mentality.
7. Improving the representation of workers in the management of the Colombian Ports Enterprise (COLPUERTOS).
8. Sound, well-defined policies on the rights of government workers and public employees.

Social Benefits

The CGT, on the other hand, reiterated the conclusions reached at its third national council, which met recently in Bogota. It announced that next Wednesday it will present the following position to Minister Name:

1. The rejection of any bill that contains anti-union labor reform measures, eliminates the benefit system, or makes unemployment retroactive.
2. Constant lobbying efforts with President Barco, Minister Name, the new Congress, and the Cabinet to ensure that the government's social platform is carried out to the benefit of the working class.
3. Insisting on real and effective participation by the worker organizations in all government institutions and agencies where economic, social political directives are decided upon and executed, beginning with the National Council for Economic and Social Policy (CONPES).
4. CGT support for all government and management initiatives that seek to improve the workers' economic and social situation, and rejection of any that seek to undermine their well-being.

The UTC, for its part, asked that the chief of state do the following:

--Find a real solution to unemployment.
--Modify landholding systems, promote agroindustry, support cooperativism, and easy, cheap credit for peasants.
--Provide timely resources for hospitals, protect the environment, and step up preventive medicine.
--Cut educational costs, standardize school textbooks, and use worker and peasant cooperatives and associations to reduce illiteracy.
--Exert rigid control over savings and loan associations so that savings deposits can be used to promote the construction of cheap low-income housing and curb the rising costs of housing credit due to inflation adjustments.
--Not revise the Labor Code but replace it entirely, since it is obsolete (and the UTC is ready to contribute to this effort), provide more union liberty and better social security, encourage worker participation in the management of productivity programs, and abolish the job "exchanges" which exploit the workers.
--Consult the workers during the preparation of economic measures and the formulation of economic and social development programs, coordinate efforts to predict and solve labor conflicts, and expand the workers' role in the executive boards of official agencies.

Baena: Corruption Pervades Labor Movement

Bogota EL ESPECTADOR in Spanish 11 Aug 86 p 5-A

[Article by Santiago Linan]

[Text] Cucuta, 10 August--The General Confederation of Labor (CGT), through its first vice-president, Victor Baena, has hurled some harsh criticism at the leaders of the CTC and the UTC, accusing their leaders of causing the crisis in the Colombian labor movement. Baena also contended that the fifth labor union federation proposed by outgoing Labor Minister Jorge Carrillo Rojas was a crime against the working class itself, claiming that it is clearly just a ruse to get Carrillo Rojas a job and to begin campaigning among the working masses for the reelection of former President Belisario Betancur Cuartas.

Baena, who spent this week in Cucuta participating in a CGT tribute to Cucuta Treasurer Juan Manuel Mateus for his promotion to the national board of that labor union organization, made statements to the press in which he asserted that "the labor movement and the working class are undergoing a serious crisis." He explained that "at the same time, I believe this is the best thing that could happen to the Colombian working class, because this is the time when the false prophets who have infiltrated the working class are being exposed. These people have turned the labor movement into a source of easy riches and high living, rather than a means or way to serve the working class."

The CGT vice-president maintained that "this crisis which is emerging now is an anti-corruption crisis. This corruption takes different forms: ideological, political, and moral corruption, and the unconditional surrender of the rank and file workers' interests to outsiders. The workers themselves have reacted against this, and for that reason it is a beneficial crisis; it will eliminate the impostors, and only the true representatives of the working class will remain."

Corruption

He talked about corruption at the highest levels of the Colombian labor movement, and stated that "on these matters we need to be perfectly clear; it must be understood that the rank and file union members are pure and honest, and that it is the highest echelons of union leadership that have been corrupted. There is where a moralization campaign must begin."

He mentioned specific accusations of corruption, and cited examples that have taken place within the CTC and the UTC against their own leaders. These leaders have been accused of having ties with drug trafficking. In this regard, he mentioned Manuel Felipe Hurtado, president of the CTC, and the secretary general of that same organization, emphasizing that the accusations were made by the CTC rank and file, not the organization itself.

He repeated that some leaders of the CTC have been accused of extorting money from businessmen and employers, demanding checks in dollars and a number of economic concessions. The businessmen and employers rejected these demands, asserting that they will not continue negotiating with corrupt leaders. They prefer honest leaders who really represent the working class.

Regarding the labor union federation of which he is vice-president, Baena stated that it is free of corruption. He invited and challenged anyone to come out and reveal anything they have on its leaders, declaring that "no one has anything to say."

Criticism of Carrillo

As for the appointment of labor leader Jorge Carrillo Rojas as labor minister under the last administration, he indicated that this was billed as a triumph of the working class, "but this was completely false. He did not represent the working class in the ministry, so that was no triumph for them. This minister of Betancur's was merely an administrator of controversial collective bargaining agreements, and the workers have nothing to thank him for. No one knows of any social programs or structural changes devised by him to help the workers and the people; such programs predated his appointment as minister, and justified that appointment when the year of social change for the Colombian working class was announced."

He complained that the former labor minister was disloyal to the working class when he ignored the labor union's accusations of corruption in SENA and the irregularities in Social Security, also reported by the workers. Both of those institutes are directly under the control of the Labor Ministry.

He stressed that the proposed fifth labor union federation "is the most criminal thing for the Colombian labor movement, because it is more divisive and aims only at political goals such as the reelection of former President Betancur. It is also designed to provide a job for former Minister Carrillo, who is out of work now that he has left the ministry after a fruitless and inglorious tenure."

Discussing the government of Dr Betancur Cuartas, he contended that it had been the worst administration for the working class, which has never been so immobilized and repressed. Thus, the rank and file union members feel no loyalty to the outgoing administration, he said.

8926
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NEW CABINET MINISTERS DISCUSS NATIONAL ISSUES

Bogota EL ESPECTADOR in Spanish 12 Aug 86 p 11-A

[Excerpt] The Ministers Speak

Several members of President Barco's cabinet, including the ministers of government, Fernando Cepeda; finance, Cesar Gaviria; mines and energy, Guillermo Perry Rubio; justice, Eduardo Suescun Monroy, and defense, Gen Rafael Samudio Molina, spoke on a joint Caracol-JES program that was broadcast last night on radio and television.

The following are selections from the interviews:

The Minister of Government

[Question] Mr Minister, what does it mean to you to be a political scientist?

[Answer] Well, it means examining political reality, not political theories, but political reality in a straightforward manner that some would call cynical and others Machiavellian. It means looking at things as they are, not locking oneself up in a room and ruminating on theories; it means looking out the window and seeing how politics actually operates. That is our job. So, what I have seen in the last 42 hours does not surprise me.

[Question] Don't you think that after so many years of bipartisan government it is dangerous for the country to be governed without the Conservative Party?

[Answer] I think that the Conservative Party has performed a courageous and historic act by going into the opposition. I also think that President Barco has performed a very important historic act by announcing a government platform and establishing a sort of one-party government, because I think that after 30 years the country has to undertake this experiment. The important thing is to design it and get it going, and it is my understanding that this is part of my role and I'm going to fulfill it.

[Question] And how could the experiment of a one-party government turn out badly?

[Answer] It would turn out badly if, for example, the Conservatives decided to engage in an uncivilized, disloyal and no-holds-barred opposition, or if the Liberals in power decided to take an imperious approach because they have the support of the majority, because the majority is all they need to do anything and there is no reason to pay attention to the other party.

I think that these two approaches would be fatal in running a government or an opposition. In this regard, I think that it is my responsibility to help the political parties work out ground rules for the government and the opposition parties, to see to it that they are enforced and to correct any defects that may arise. If we succeed, I think that this will be one of the most important and ambitious political experiments.

[Question] Doesn't this mean, Mr Minister, that if things go well, you will tear the Conservative Party to pieces when it gets to Congress?

[Answer] No, I'm going to invite the Conservative Party, as soon as it gets to Congress, to debate what I propose. We ministers are going to seek mechanisms, which we are going to set forth in a special statement to Congress, to establish the rules of this game. We are going to invite the opposition to really go after us harshly, in a constitutional and civilized manner of course, but really hard. This is what President Barco wants.

[Question] Mr Minister, you do not have congressional experience. Isn't this an advantage for your adversaries?

[Answer] We'll see. I don't think I'll have problems.

[Question] Let's talk a little about the man. Are you a peace-loving man?

[Answer] Completely. Just think of a college professor. What else could I be? My whole life has been conversing, teaching and arguing. I love to argue.

[Question] Mr Minister, what doesn't a political scientist like about politicians?

[Answer] What I don't like about politicians is that, for example, they prefer purely bureaucratic politics to political issues.

I, for example, think that the most important issue right now is how are relations going to be handled between the government and the opposition party and between the government and the ruling party.

The country is taking a step forward towards bringing back major issues for domestic political debate.

The Selection of Governors

[Question] You realize that each department has two, three or five leaders whom the people call bosses [caciques]. What are you going to do to outwit the bosses?

[Answer] The essence of politics under President Barco's administration, as well as in his election campaign, is convergence. Through convergence he won the nomination, arranged the debates in March and May and won the election by a very wide margin. The same strategy continues. Therefore, the talks with the regional groups and with Luis Carlos Galan have been intensified.

This process has gradually unified the party, and in the selection of the governors we can see that the various groups are more willing to accept a final decision without feeling badly offended.

[Question] And in giving instructions to the governors, will you tell them that they can appoint Conservatives?

[Answer] Yes, no doubt about it.

[Question] What qualifications are the president and you looking for in your choice of governors?

[Answer] Above all, they must have a very clean, clear-cut record.

Second, they must have some experience in the art of administration. Finally, if possible they should be new faces.

President Barco is really obsessed with bringing new people into government, and you're going to see them in the appointment of governors, vice ministers and heads of department.

[Question] How are the president and you planning to amend Article 121?

[Answer] It is a very interesting idea. What we want to do is divide up Article 121. We want to establish different states, for example, a state of alarm, a state of alert. So, if a town is taken over, we can invoke one of these states and not have to resort to the extreme measure of the state of siege, which gives other countries the impression that we are in a state of war, which is not true, to resolve a situation that does not warrant such a disproportionate legal and institutional step.

The Finance Minister

The new finance minister, Cesar Gaviria, began by asserting: "It is not true that we have one of the highest tax burdens in the world. Our tax burden is moderate among the Latin American countries. We are far below the United States and Europe and the other developing countries."

"What are very high here are the tax rates, but they are not effective rates because people get out of paying them in one way or another. The rates are high, not what the government takes or the tax burden. I would say that somehow we have to find tax rates that do not reduce government revenues, that are more realistic and that people will really pay."

"We are going to seek ways to do this, to move towards more realistic tax arrangements, because in practice our citizens avoid paying current tax rates."

The Reprivatization of the Banks

[Question] Mr Minister, do you prefer private or state-run banks?

[Answer] I think that in a country like ours each has to survive and has a role to play.

Owing to all of its financial problems, Colombia suffers from an imbalance here because of all the banks we have at present. The desirable thing is to return to more of a balance in the long run. Meanwhile, the financial sector should be made profitable again, so that we once more have a sound financial system. At that point we can see how we can restore the balance that has been lost over the past few years because of all the banks that the government has nationalized.

[Question] Do you think that banks that have been nationalized, such as the Bank of Bogota, ought to returned to the private sector or kept in government hands?

[Answer] I think that it is too early to make that sort of announcement, but I will say that it is desirable for some of those institutions to return to the private sector.

[Question] Doesn't the fact that the Finance Ministry is one of the most troublesome in Colombia frighten you?

[Answer] It is unquestionably a major responsibility, and I hope to fulfill it. A person taking on this sort of responsibility will be subject to wear and tear. It's the sort of job in which you do not get applause, in which you realize that discipline, austerity and fresh sacrifices are necessary. It is a great responsibility. There may be some personal wear and tear too. That's fine, because this is the sort of job that the president wants done in his administration.

I hope that the entire government team can undertake the task and fulfill President Barco's and the Liberal Party's goals of eradicating extreme poverty, of achieving peace among all Colombians and of moving forward towards a more egalitarian and just society.

The Minister of Mines

The minister of mines, Guillermo Perry Rubio, remarked: "As you know, this sector has major problems and major challenges before it at present. There are great expectations for the sector. The major challenges and problems are in the electric power sector, where there is a huge deficit, partly because we somewhat overdid our investments. We have enough generating capacity to meet the country's immediate needs. We also borrowed very heavily. As a result of last year's devaluation, the cost of servicing that debt increased terribly.

All of these developments have led to a financial crisis throughout the electric power sector, and this is one of the main problems that we have to tackle."

"Moreover, great expectations have been created about our current oil-export potential and about the coal exports that have already begun. Unfortunately, the world prices of the two products are not what they were expected to be, but they can make major contributions to the national economy."

[Question] Mr Minister, the country has the impression that previous administrations made huge investments in the energy sector. Do you plan to cut back on this investment?

[Answer] What seems clear is that since we will have excess generating capacity for a time, over the first few years we will not need to invest as much money in power generation as during the previous administration.

Moreover, a great many Colombians do not have access to the utility. When the time comes to consolidate the sector financially and to extend the service so that more people have access to it, we ought to invest a bit more in the distribution networks, which have been neglected in the country, and in rural electrification. We will be able to do this because we will not have to invest that much for a reasonable amount of time.

[Question] You carried out a tax reform in Colombia as tax director. Are you going to get involved in taxes?

[Answer] I have to devote myself to my sector.

[Question] Was it more frightening to take over as tax director or as minister of mines?

[Answer] When I took charge of the National Tax Directorate, I was very young. This meant two things. First, the lack of experience makes you a little more frightened, but on the other hand, the same inexperience makes you too bold in some things.

The Justice Minister

Dr Eduardo Suescun, the new justice minister, had this to say: "As the president said in his inaugural address, what the government really wants is to give judges their working tools, to organize the judicial career, to dignify the function of the courts so that all judges truly have decent working conditions and have available the essential elements to do their jobs.

"The system of justice is really one of the most important government functions in a country, but it has been neglected for quite some time.

"If we look back over the past 20 or 30 years, what do we remember most clearly? We find that the judiciary has been abandoned, that nothing has really been done to solve the problems of the justice system. It is as if the judiciary were not a branch of government in Colombia. The point now is to acknowledge this fact, to acknowledge the importance of the judiciary and, consequently, to organize the Justice Ministry so that it serves the judges, so that it serves justice.

[Question] Is it easy, Mr Minister, to protect judges and magistrates and give them tools?

[Answer] It is hard, but it is necessary. We have to and will do it. There are and will be a lot of problems. Like the budget, for example, but we will have to find a way to secure the funding for these specific things.

[Question] Mr Minister, there are three figures that civilized nations respect: teachers, policemen and judges. I don't think that Colombia really does...

[Answer] I feel and believe that the government wants to make changes not only in the system of justice but in other spheres as well.

The Justice Ministry will be an instrument of the major changes that are going to be emphasized over the next few years. We will seek truly effective criminal justice; crimes will be genuinely investigated because judges will have the various investigative tools available; there will be proper investigations and proper trials. This is the only way to guarantee security for both society and the defendants.

[Question] Since you are a man of the law, are you a very rigid person?

[Answer] In what sense?

[Question] When you give an order, do you expect that it will be carried out just as you gave it?

[Answer] Well, that's to be expected. Rigidity fundamentally has to do with rectitude in the area of the law. But the most important thing in law is not to believe that there is just one view, that there is just one truth. In the world of science the normal thing is for no one to know the truth. Here arises the problem of relativism, the problem of how hard it often is to know the real intention or scope of a law.

[Question] In conclusion. Mr Minister, a few years ago we Colombians were used to men 70 or 80 years of age, elderly men, being appointed ministers, whereas now...

[Answer] They don't work. They cannot adapt to the circumstances around us, to our problems as human beings. So, we have to diagnose the problem of crime with this investigative approach to administer truly effective criminal justice. When crimes are committed, they must be investigated; judges must have the various investigative tools, and there must be proper investigations and proper trials. This is the only way to guarantee security for both society and the defendants, in other words, that they are tried in accordance with the procedures to which they are entitled. They often remain indefinitely in jail, or a criminal complaint is simply filed and the case goes no further. There is where our major work lies, in identifying the causes of the crisis and in coming up with answers.

The Defense Minister

Gen Rafael Samudio Molina, the new defense minister, said that "Without being immodest, I think that the country is familiar with my record, especially as army commander."

[Question] But how do you define yourself? Are you repressive?

[Answer] I wouldn't say repressive. I may look repressive because of the serious face I always show. I still think that my subordinates were wrong sometimes, when they didn't know me and perhaps saw my stern figure and knit brow. But deep down I'm not like that. I'm not repressive. I'm persuasive. I like to give advice, to guide, to teach subordinates.

[Question] In your opinion then, Mr Minister, does peace require a military or a political approach?

[Answer] We have always contended that the problem of peace, the problem of security is a complex problem that requires a comprehensive solution. It unquestionably requires a political and a military component. At times the approach has been more military than political. I think that they have to be brought together, which is what the chief of state is doing. He makes policy, and the two spheres work together towards the ultimate goal.

[Question] A good many people in the country believe that violence in Colombia is political in origin, in the sense that it is social violence triggered by a political class that has forgotten many people, not by a military class that has practiced repression. Do you agree?

[Answer] As a conflict of wills, violence is both a conceptual and a physical clash. It is unquestionably political. War is political. Therefore, the solution must have a very heavy political component, including a series of economic and social, as well as political measures.

[Question] President Barco has underscored the respect that the FARC [Revolutionary Armed Forces of Colombia] have shown for the peace accords. Do you share his view?

[Answer] Of course I do. The FARC signed several accords and have been complying with them in their own way. At times they have not been sincere and have strayed from them. This is a situation that has to be monitored. It all depends precisely on their sincerity and compliance with the accords.

[Question] The president also said, Mr Minister, that a plan must be set in motion to reincorporate into full civilian life those who have chosen the path of armed subversion. What sort of plan might this be?

[Answer] The accords themselves called for the incorporation of the subversive groups into full institutional normalcy, into the country's civilian life. This has not yet been achieved. The fronts are occupying certain areas of the country, and therefore the plan that we must chart must proceed gradually so that very soon, hopefully, the individuals who are still in arms under the accords can return to normal civilian life, like the rest of the Colombian people.

Confronting Subversion

[Question] What lies in store for all of the groups that are still under arms, for the guerrillas who have not signed the peace accords and are still fighting?

[Answer] Well, it would seem that they really do not want reconciliation, calm, tranquility or peace. Yesterday and the day before the country heard the news about the serious breach of the peace in the department of Cauca: the takeover of the town of Belalcazar for more than 12 hours, the subsequent battles with the army and the actions by that same subversive group, which is now called the National Guerrilla Coordinator and which comprises the M-19, the EPL [Popular Liberation Army] and other organizations. They are not sincere; their actions point to exactly the opposite, but they have made no pronouncements in this regard.

[Question] But what is going to happen to these groups?

[Answer] Well, the government and law enforcement agencies unquestionably have to combat them as long as they keep doing such things. We cannot allow law enforcement agencies to remain impassive when they enter a town, attack the police barracks, hold up the Agrarian Bank and kill civil servants. There must be a law and order response to their actions, using force if appropriate.

[Question] Let's talk a little about you as a man. Why did you decide on a career in the military?

[Answer] When you're a teenager, you think about many professions. But I think that all children like to watch soldiers march by on national holidays and play soldier among themselves. Perhaps hearing military anthems thrilled me.

That could be one reason. The other could be my ancestry, because my grandfather was a general in the Thousand Days War. Listening to stories about him and what he did motivated me also.

[Question] I would like to know whether you think that we need the aid, intervention or involvement of another nation to protect our territory and our roads...

[Answer] No. Our authorities, our government, has sovereignty and dignity. We do not need foreign forces inside our borders. It is one thing to attend courses, to visit more advanced institutions, especially in technology, and then to return home to apply them, to design our own, to tailor them to our particular situation. But sovereignty cannot be surrendered.

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ECONOMIC DEVELOPMENT MINISTER ON NEW FOREIGN TRADE POLICY

Bogota EL TIEMPO in Spanish 12 Aug 86 p 8-A

[Text] The new minister of economic development, Miguel Alfonso Merino Gordillo, announced the total restructuring of Colombia's foreign trade policy in order to create "a large, unified export organization" that will guarantee the country the foreign exchange earnings it needs to meet its external commitments.

He also announced that in the area of housing, an effort will be made to ensure that the poor and low-income people will have access to the sources of financing that are now closed to them, so that they will feel that they own their own residences and will develop them progressively.

True urban reform, as a prerequisite for doing away with the abject poverty that plagues the large cities, will be another priority of the Economic Development Ministry under his leadership.

The industrial sector, one of the basic fronts in the battle for economic growth, and the generation of employment and wealth will be approached with clear, medium- and long-term policies. Moreover, the situation will be more certain because the rules of the game will not be changing every day.

Within the strategy against unemployment, the construction industry will play a crucial role in the Barco administration's programs.

Specifically, in the automotive subsector, the new minister revealed that this government will try to promote "the program of the people's car," and to give it a new dimension.

The businessman from Tolima took office just yesterday, and held the first meeting he has had with President Barco at the Narino Palace since his appointment to the post was announced. Upon leaving the meeting, he announced the proposed changes.

The turnaround in the country's foreign trade will provide an atmosphere of security and of clearly defined policies which will allow industrial leaders to face the challenge of moving into international markets and obtaining the foreign exchange needed for national development.

With regard to prices, he said that he will study the situation carefully to seek the best way to adapt prices to the new conditions of the international market. These prices will then enable the country to obtain what it really needs to import so that it can update its technology and thus produce more efficiently. Imports will be oriented toward those products that can generate a great investment in manpower, create jobs, and put people to work. "In other words, they will be oriented toward products that have the virtue of generating employment in the country," he emphasized.

The minister traveled yesterday to Ibague after taking the oath of office, to spend time with his family there. Early today, Tuesday, he returned to Bogota to attend the working breakfast held by President Barco, and the meeting of the civilian cabinet with the Central Political Committee of the Liberal Party.

In the afternoon, he will go for the first time to the office of the Development Ministry to formally begin work as the head of that organization.

Urban Reform

Presenting an overview of what he plans to do as minister, Merino Gordillo engaged in a dialogue with RCN in which he mentioned the urban reform program announced by President Virgilio Barco in his inaugural speech last 7 August. In that regard, he noted that this reform is not only possible, but also necessary. "If we want to truly eradicate the problem of abject poverty, especially in the major cities of the country, then we must take steps to ensure that lots which are considered wasted or are not fulfilling the necessary social function can be taken over by the state, or their owners can be pressured to develop them so that they can help the needy."

In this way, he added, homeless people "will not have to continue squatting on the outskirts of cities, or making it more and more difficult to gain access to job sites, incidentally making it harder for the government to provide public services. Thus, it is important to intervene in this area, and we will do so as one of the changes proposed by President Barco."

He expressed his certainty that Congress will be open to carrying out such reforms: "In the Liberal delegation of Congress, which represents the majority, as well as the other party delegations, there is an awareness right now that reforms are necessary to make sure Colombia keeps in step with the times. The members of Congress know how urgently necessary these changes are, especially if we want to preserve the democratic system in Colombia."

"Sometimes," he added, "there are problems because people seek solutions at the wrong time. At present, the country feels the need to make changes, to reform, to introduce policies that will help the vast majority of the Colombian population, who have seen their standard of living decline. I believe, therefore, that there is a new situation in this sense, and that there is an awareness that either decisive, quick measures are taken, or we will be unable to maintain the democratic system that has governed us."

Regarding the possibility of streamlining a system of expropriations, he responded: "I believe that that is one aspect which we will have to deal with, and we will have to streamline the means to attain the social ends we have in mind. I think this is one of the things we will have to undertake soon so that we can reach out to those who face abject poverty. We must seek means that will legalize their land ownership, because a paradoxical and contradictory phenomenon is emerging in Colombia: Many poor people do not have deeds to the land where their homes are located, and therefore they have no access to financing. As a result, the rich have the opportunity to build on credit, while the poor must pay cash. Thus, we must change this situation and help facilitate the procedures for the poor and others who need credit to gain access to this financing. In this way, they will feel like they own their homes, and will develop them progressively."

Foreign Trade

The minister reported that he had dealt with the matter of foreign trade recently with President Barco, and that on this front a total restructuring will be necessary.

"We must seek a working harmony with institutes such as the Export Promotion Fund (PROEXPO) and the Foreign Trade Institute (INCOMEX). Each of them has a different function, but they cannot work at cross purposes. Therefore, in this area we must undertake a restructuring and create a large, unified export organization, with specific, solid policies that strengthen the external sector. Under this government, the external sector will receive much attention because it can obtain the foreign exchange the country needs for the progress and development of all of Colombia."

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COLOMBIA

AGRICULTURE MINISTER ANNOUNCES NEW AGRARIAN REFORM POLICY

Bogota EL ESPECTADOR in Spanish 14 Aug 86 p 4

[Interview with Agriculture Minister Jose Fernando Botero Ochoa by Raul Osorio Vargas; date, time and place not given]

[Text] The Barco administration will submit a new Agrarian Reform Bill to Congress which will not be the one agreed upon in the National Dialogue Subcommittee with the Liberals, Conservatives, Communists, peasant organizations, large farmers, and officials of the Betancur administration.

This was announced by the new agriculture minister, Jose Fernando Botero Ochoa. In an interview with EL ESPECTADOR, he recalled that the National Dialogue bill only managed to make it to the first round of debate under the sponsorship of Representative Edgar Papamija, but was not discussed.

"The government will introduce a new Agrarian Reform Bill in Congress. The National Dialogue bill is being used as a study document. I think that by revising existing laws we can make progress on agrarian reform. The important thing is to have the political will to do so. We must do what the country is demanding. Very few Conservatives do not accept agrarian reform as a necessity for achieving peace in Colombia, establishing order, and improving the lot of large numbers of peasants. That is why it is so urgent that action be taken in this area," he explained.

At the prompting of this writer, the official emphasized that the initiative of the National Dialogue will be considered as a study document.

Fiscal Policy

Regarding the trade associations' request for tax reform for the rural sector, the official noted that it will be announced by the finance minister. He clarified that obviously he will be consulted.

He said that agriculture is one area of outlays, and that in addition to agricultural matters he, as minister, must look at the overall budget picture for the country.

He pointed out that the finance minister cannot be presented with an extreme position, demanding things that the country cannot and should not do, considering its fiscal situation.

He acknowledged that in the trade associations' demands there are many good suggestions that would help add or restore profitability to the sector.

He explained that any reduction in taxes contributes to profitability. "Let's allow the finance minister to manage his affairs, but clearly I will participate in those discussions, because they have a direct impact on agriculture."

Politics

[Question] You belong to the same political faction as Dr Balcazar Monzon, and the Agriculture Ministry has traditionally been a political stronghold. The country knows that. Many trade association leaders have already expressed their fear because you represent that political persuasion. How will you make your appointments?

[Answer] I don't know why they brand politicians as bad eggs. I consider myself a politician, one with a discipline, academic training, and a constant interest in research and study. The work of a minister is eminently Political with a capital P, not a little p as in politicking.

The politician is the person most qualified to establish policy in certain sectors of the economy, in certain policy directions in which the country is steered.

I don't plan to run the ministry in a partisan, nepotistic or sycophantic way. I plan to surround myself with the best minds in Colombia, to the extent that these institutes or the ministry can afford them. In this way, we can by common agreement arrive at an approach that will benefit the agriculture and livestock sector and the country as a whole. But the work of a minister is definitely Political with a capital P.

Exports and Imports

[Question] What will your agriculture and livestock policy be?

[Answer] The activities to be carried out by the Agriculture Ministry will be no great surprise to the country, because they were outlined by Dr Barco throughout his campaign. They are delineated in the Liberal Party platform.

The agriculture and livestock sector should regain the importance that it merits in an agricultural country. We want to promote farming and ranching so that they will not take the back seat to industry, and to a certain extent services. We intend to make the farm sector profitable in order to boost the country's agriculture and livestock production, not only to supply national consumption but also to promote exports.

We understand that there are certain areas of production where we do not have a comparative advantage. We cannot pretend to be self-sufficient in wheat or in grains such as barley, but we can promote exports of other goods to generate employment, meet national consumption, and earn foreign exchange.

Spurring exports is one of the basic political tools of this government, in manufacturing as well as agriculture and livestock.

Along with promoting exports, we hope that many agricultural inputs will be produced in this country so that import substitution will not just be limited to industry and manufacturing.

Comprehensive agrarian reform will be an aim of this government, but not just in terms of the land factor, which is important but not crucial. The country's economy has changed a lot during the past 25 years. Land is just one of the components of agrarian reform. We also need credit, marketing, technology. When we have the new bill ready, we will reveal the specific details and strategies to the public.

Doing Their Own Thing

[Question] But what will be the mainstay of your policy?

[Answer] Turning the ministry into an organization that can define clear and coherent policies for the sector. That may seem a truism, but if we look at reality in Colombia, we see that the ministries are not directing policy in this country because the decentralized institutes are all doing their own thing. Each one dictates its policy, which may contradict that of other entities in the same sector. The institutes with the most money have planning offices that are often more powerful than those of the ministry. The ministry will have to set policy and enforce it in the agencies that execute it.

It is important to strengthen the ministry's planning offices. The ministry urgently needs restructuring.

World Bank

[Question] The Association of Colombian Farmers has complained that the World Bank loan for US $250 million mortgaged the country's food production.

[Answer] There are two documents to back that up. One is the letter from the outgoing minister to the president of the World Bank, which is a kind of letter of political intent.

The second is a document sent by that official to President Betancur in which he gives his authorized interpretation of the commitments made to the World Bank.

There he outlines the points on which the World Bank experts and the officials of the Colombian Government were unable to reach an agreement. These points, which include the interest rates and the management of the collateral bonds, were to be left for this administration to deal with.

There are other points on which the country is in agreement. They ask for the strengthening of the ministry's ability to evaluate and define policies, for its restructuring, and for the reinforcement of the Agricultural-Livestock Sector Planning Office (OPSA). We agree with that also. We may even have that support to be able to prove to Congress that it needs to be done. Then there is the formation of an agriculture-livestock policy council, which is a good idea.

IDEMA

[Question] What about the points on the Agriculture-Livestock Marketing Institute (IDEMA), in terms of marketing?

[Answer] The state is intervening too much in the agricultural marketing of many products. This situation must be reviewed, but given that our economy is just getting started and Colombia is such an impoverished nation, the laws of the market cannot be allowed to govern the entire economic system of the agriculture and livestock sector. We are becoming too interventionist to defend and foment the modern agriculture sector, however. On the other hand, the ministry has taken very little action in the peasant sector.

Gradual Dismantling

[Question] In that World Bank document, a suggestion is put forth for dismantling IDEMA.

[Answer] In other countries, this type of institute works with support from the central budget. I agree that this budgetary support should exist only if two requirements are met: that the country's fiscal capacity be taken into account, and that the social objectives be achieved.

At IDEMA, I don't know whether the two prerequisites have been met. I don't mind if the institute operates in the red and has to be subsidized or receive infusions from the central budget.

If the losses are due to mismanagement or technical deficiencies, however, then that is not justified. Institutes of this kind should work on the large flows of production. They are a kind of red light.

I would not say that we should dismantle IDEMA, but there should be cooperation by agreement with the trade associations so that the IDEMA storage facilities can be used by the private sectors, and vice-versa. Although this organization's counterpart was dismantled in Venezuela, I don't think we can move so fast. But a lot of the intervention that IDEMA practices is inefficient.

The World Bank contract calls for a 20-percent reduction of IDEMA's share in the allocation of import quotas. If the institute is inefficient, some regulation of some products must be eliminated. The process of intervening in the market is too regulated, and I think it is inefficient as well. State intervention is wasteful, inefficient, and untimely in many cases.

Smuggling

[Question] How would you eliminate food smuggling?

[Answer] Police measures do not work. We will have to discuss the basic measures with the finance minister. There are problems with subsidies and with the exchange rate. The Finance Ministry will study these points, as well as the profitability of land. The finance minister will define fiscal or exchange profitability and subsidies, and the agriculture minister will help him where appropriate.

[Question] As agriculture minister, will you take a hard line at the Monetary Board and the Council of Ministers?

[Answer] I will speak softly but forcefully.

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CSO: 3348/765

1986 INFLATION PROJECTED AT LESS THAN 20 PERCENT

Bogota EL TIEMPO in Spanish 12 Aug 86 p 8-A

[Text] The outgoing government's economic team, by Finance Minister Hugo Palacios Mejia, predicted that the cost of living will grow by less than 20 percent this year, below the projected rate of 22 percent.

At the last meeting of the Monetary Board, the principal economic indicators were reviewed, and it was emphasized that the growth of the money in circulation (the money in the hands of the public and in checking accounts) has slowed, an encouraging sign that is in keeping with the goal of limiting price increases. The growth rate is estimated to have fallen from 38 percent in recent months to 33.6 percent as of 26 July.

Money in circulation expanded by 0.1 percent throughout the year until the date indicated, and by 36.5 percent between 26 July 1985 and the same date of 1986.

The money supply shrank by 4 percent in the week that closed on 26 July, having fallen by 12.4 percent so far this year. Compared to the same date in 1985, however, the money supply expanded by 33.6 percent.

The Bank of the Republic had removed from circulation 29.652 billion pesos as of 26 July in the form of exchange certificates. This means a decline of 42.913 billion pesos from the total recorded on that date last year.

The Bank has obtained 74.764 billion pesos in the form of securities exchangeable for exchange certificates so far this year, an increase of 33.178 billion pesos over the figure for 26 July 1985.

The Bank also took in 115.054 billion pesos in stock certificates. The figures for the certificates and exchangeable securities show that the owners of the former preferred to cash them in for exchangeable securities in search of higher yields. Thus, the government should have issued the former not for that purpose, but to withhold more money from circulation.

All in all, the Board estimated that the money in circulation will grow by 28 percent in 1986, in accordance with the initial goals.

Inflation and Interest Rates

According to a Bank of the Republic survey of banks and financial corporations operating in Bogota, the average interest rate is 26.7 percent, compared to 29.2 percent on 26 July 1985. The Board does not feel that an inordinate increase took place after the government lifted administrative controls in late June. These controls had been imposed in February to limit the rates paid for savings and charged for loans.

The cost of living had risen by 10.1 percent this year as of the end of July, compared to 18.1 percent during the same period of 1985.

Between July of last year and July 1986, inflation totaled 14.1 percent, compared to 25.6 percent between July 1984 and the same month of last year. The government had pegged inflation at 22 percent for 1986, but the Monetary Board calculated that it may actually end up below 20 percent because there is enough money in circulation, good food harvests, and a considerable flow of food and other items smuggled in from Venezuela. The government opposes smuggling, however, because it forces production outlets to shut down and eliminates jobs.

International Transactions

As of 25 July, Colombia had received US $2,209,700,000 from exports, compared to US $1,596,300,000 during the same period of 1985. Of this amount, coffee accounted for US $1,427,300,000 in 1986 and US $898,200,000 in 1985.

Total revenues as of that date amounted to US $3,378,700,000, as opposed to US $2,381,200,000 during the comparison period. These revenues include those from exports; purchases of gold, petroleum and other minerals; services (tourism and others) and transfers.

Current outlays totaled US $2,799,300,000, compared to US $2,584,800,000 during the previous period. Of those totals, US $1,563,500,000 and US $1,293,300,000 were the respective import figures.

Net reserves amounted to US $2,542,000,000, compared to US $1,636,600,000 during the same period of last year.

Monetary authorities have no doubt that the efforts to absorb the coffee windfall without shaking up the domestic economy are beginning to yield positive results.

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COLOMBIA

BRIEFS

FOREIGN POPULATION DATA--The latest issue of the magazine put out by the Administrative Department of Security (DAS) contains an interesting report on foreigners in Colombia. It demonstrates that the entity directed by Col Maza is able to exert effective control and is completely up to date, in contrast to the relative chaos that prevailed in previous years. Our extensive borders have made it easy for many undocumented aliens to enter, but this report indicates that this area is well under control, to the extent possible. The statistics are also interesting: Of the 90,419 citizens from the United States, Canada, and Latin American countries, the largest Hispanic group represented is the Ecuadoreans. They are followed by the Venezuelans, who number 6,815, according to the records. In contrast, the number of Colombians in Venezuela is at least 25 times greater. Of the Europeans, Spaniards account for the largest group, with 14,787. A total of 3,329 residents are from Lebanon and 513 from Israel, in the Middle East and Asia category; there are also reportedly many naturalized Israelis living in Colombia. There are 2,566 Chinese people living here, most of them working in restaurants, 357 Koreans, and 2,209 Japanese, many of them farmers in the valley. Ninety percent of the foreigners live in Bogota, Valle, Atlantico, Bolivar, and La Guajira. Thus, there are a total of nearly 150,000 foreigners in Colombia, which is capable of hosting even more if they come to work and contribute new know-how to the country's prosperity, as has been the case in so many countries of the New World. The foreigners, the vast majority of whom love Colombia and are willing to work for it, should feel at home here. Any outbreak of chauvinism is isolated and does not represent the feelings of the vast majority of Colombians. [Text] [Bogota EL TIEMPO in Spanish 10 Aug 86 p 4-A] 8926

CSO: 3348/765

UJC LEADERSHIP CHANGES ANNOUNCED AT PLENUM

FL011121 Havana Television Service in Spanish 0000 GMT 31 Aug 86

[Text] Army General Raul Castro Ruz, second secretary of the Communist Party of Cuba Central Committee, has presided over the tenth special plenum of the National Committee of the Union of Young Communists [UJC] in Havana.

During this meeting, second secretary Roberto Robaina Gonzalez was promoted to first secretary, the organization's highest position. Upon making the presentation after the unanimous approval of those present, Politburo member Jose Ramon Machado Ventura explained that Carlos Lage Davilo, relieved of his duties as UJC first secretary, will carry out other responsibilities assigned by the party directorate and by Commander in Chief Fidel Castro.

Machado Ventura said Lage competently (cabalmente) carried out his responsibilities leading the political youth organization and commended his personal qualities as leader which allowed him to successfully confront complex leadership tasks.

The special plenum also approved the promotion of National Bureau member Pedro Saez Montejo to the position of second secretary. Saez Montejo was responsible for the vocational training of youth workers.

Alfredo Jordan Morales was relieved of his responsibilities as member of the National Bureau and president of the Jose Marti Pioneers. Jordan Morales will be assigned other functions in the party.

The plenum also removed from the National Bureau Fernando Ramirez de Estenoz, chief of international relations. Ramirez de Estenoz is completing an internationalist mission in the People's Republic of Angola.

During his speech, Machado Ventura said Jordan Morales and Ramirez de Estenoz demonstrated good work during their many long years of service.

Matanzas UJC first secretary Rogelio Leon Garcia was promoted to member of the National Bureau and will be responsible for the vocational training of youth workers.

The meeting approved the promotion of Elsa Aguero to member of the National Bureau and as president of the Organization of Jose Marti Pioneers, of which she was formerly vice president.

The participants of the plenum also unanimously supported the incorporation of Angel Arzuaga Reyes to the UJC National Bureau. He will be in charge of international relations. Up to now, Arzuaga Reyes has been president of the Continental Organization of Latin American Students (OCLAE).

At the conclusion of the plenum, Raul Castro called for applause in recognition of the fruitful work of leaders concluding their work in the UJC ranks.

During his brief speech, he referred to the fifth UJC Congress next April. He indicated this will be held during a time of complex situations for Cuba which is confronting a process of rectification that is both in-depth and not simply routine (sin formalismo). Moments before, the plenum approved a motion showing the response of Cuban youth to the current circumstances. The motion supported Commander in Chief Fidel Castro's statements.

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CSO: 3248/629

BRIEFS

NEW DEFENSE SCHOOL--Division General Abelardo Colome Ibarra, member of the Politburo and FAR first substitute, has presided over the ceremony inaugurating the National School of Defense Preparation (Escuela Nacional de Preparacion para la Defensa) and its first school year. Upon making the closing statements, Colonel Mariano (Dearmas) Alvarez, head of the MINFAR directorate, said the goal of the military education center is based on the concepts of territorial defense in order to prepare chiefs and officials for the provincial and municipal general staffs. [Text] [Havana Radio Progreso Network in Spanish 1100 GMT 2 Sep 86 FL] /12913

INCIDENT AT U.S. INTERESTS SECTION--Havana, 1 September (AFP)--A Cuban youth who tried to break into the U.S. Interests Section in Havana was arrested by the police on Sunday night, it was learned here today from various sources. The sources state that several shots were fired, but they do not know if anyone was wounded when the youth was arrested, while trying to break a window. The incident, which could not be confirmed with the U.S. representatives, took place at a time when two U.S. officials have been questioning a group of 82 political prisoners--a total of 82 plus 22 relatives--during the last two weeks in Havana; their release and immigration to the United States seems to have been settled in principle. This is the first incident of such a nature since President Ronald Reagan adopted measures to strengthen the economic boycott against on Cuba. The measures are aimed at preventing the migration of Cubans to the United States through third countries, among other things. Finally, the youth's arrest has taken place at a time when Cuban dissident Ricardo Bofill Pages has been at the French Embassy in Havana for the last five days as a refugee. [Text] [Paris AFP in Spanish 0114 GMT 2 Sep 86 PA] /12913

CSO: 3248/629

ECUADOR

BRIEFS

PRESIDENT ON OIL PRICE DROP--Ecuadoran President Leon Febres Cordero has announced that Ecuador will not receive $1 billion this year because of the abrupt drop in the price of oil. Speaking before the members of Congress in Quito, Febres Cordero said that Ecuador must reconsider its position regarding the foreign debt because it is physically impossible to subject the people to living and working exclusively to pay that debt. Febres Cordero added that the three biggest oil producers in Latin America--Venezuela, Mexico, and Ecuador--will lose some $18 billion because of the drop in the price of oil. Ecuador's foreign debt is more than $9 billion. However, Febres Cordero did not say what measure he would adopt should the national financial situation worsen. [Text] [Havana International Service in Spanish 2300 GMT 10 Aug 86 PA]

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CSO: 3348/786

HONDURAS

BUSINESS MAKES RECOMMENDATIONS TO AZCONA

Tegucigalpa LA TRIBUNA in Spanish 12 Jul 86 p 40

[Text] Businessman have warned the government that "only if structural changes are made in our economy's foreign sector will it be possible to maintain the exchange rate of the lempira."

In a document that they submitted to President Jose Azcona and that includes comments and recommendations on the Economic Recovery Program, the businessmen support the administration's decision to maintain the lempira's parity vis-a-vis the dollar.

They also recommend that the National Corporation for Investment (CONADI) be turned into a Second Floor Industrial Development Bank that would derive its capital from the contributions that insurance companies, banks and industrial firms have made.

In their document the businessmen recommend that the government allow the private sector to take part in the National Enterprise for Electric Power (ENEE), the Honduran Telecommunications Enterprise (HONDUTEL) and the National Port Enterprise (ENP) through arrangements such as securities issues.

Regarding the government's decision to charge tolls for the upkeep of paved roads, the businessmen's recommendation is that instead of spending money to build tollbooths, the government allocate 5 or 6 centavos from fuel sales for this purpose.

If this is not possible, however, they recommend that the Central Bank be in charge of administering the funds from the toll collections and that they be earmarked exclusively for road upkeep.

They also recommend that President Azcona increase the budget for the Judiciary, inasmuch as it does not have enough funding to do a good job and to start up the litigation courts [tribunales de lo contencioso].

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BENDECK CRITICIZES AZCONA'S ECONOMIC TEAM

Tegucigalpa LA TRIBUNA in Spanish 19 Jul 86 p 8

[Text] Businessman Miguel C. Bendeck has accused the economic group surrounding President Jose Azcona of "destabilizing the government," remarking that "during its 6 months in office the group has done absolutely nothing to improve the country's economic and social situation, which has gotten worse."

He stated that "the ineffectiveness of the economic group surrounding the chief executive is obvious. We can verify it from the number of unemployed people in the country today and from their dissatisfaction at not being able to find work."

He then emphasized that "what President Azcona has failed to do to prevent the government from becoming destabilized is to start solving the economic problems that the country is suffering from" because the health and hunger of the people cannot wait.

He underscored, however, that the term destabilize is overused, "because if you sneeze or pass wind, you're trying to destabilize the government, which is ridiculous."

While commenting that what we are witnessing today in the country is, in fact, the destabilization of the government, he noted that although Azcona is an honorable man, "unfortunately he has surrounded himself with people who are hurting, not helping him."

Worsening Situation

Bendeck repeated that the current situation in the country, 6 months into President Jose Azcona's administration, "has worsened instead of getting better; this is evident from the constant demands from the low-income sectors, who cannot endure the unemployment situation, which is worse than 6 months ago."

He indicated that "what could indeed destabilize the government is the circus that is going on within the ruling party itself, inasmuch as all around us things are going on that the people see but refuse to believe."

As an example he cited the disarray evidenced by the conflict between the National Congress and the Executive Branch, as well as the opposition of the workers to the country's entire economic system. These are a few of the factors that are combining to truly destabilize the government, he concluded.

Crime of Treason [lesa patria]

After emphasizing that those who are calling for a devaluation of the lempira are committing a crime of treason, he cautioned that the day that our currency is devalued, there will be a revolution of the people, "because they could not tolerate an exaggerated hike in the cost of living."

He said that by devaluing their currencies both Guatemala and Costa Rica have caused tremendous damage. Therefore, he asserted, it would be a crime to devalue the Honduran currency.

He contended with complete assurance that "neither the political nor the social nor the financial, much less the economic conditions here in Honduras are right for a devaluation."

As for the statements by the president of the National Congress, Carlos Montoya, he indicated that if he proposes to devalue the lempira, he is doing the country a disservice.

Nevertheless, he said, "I am sure that the Central Bank authorities, especially its president, Gonzalo Carias Pineda, who is knowledgeable about finances, will not agree to a devaluation of the currency, because the consequences would be fatal for the country from every standpoint, whether political, economic or financial," he said in conclusion.

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considerably, and therefore there is no technical or political reason to consider a devaluation.

The country's monetary policy is the sole and exclusive province of the Executive Branch, and hence any other opinion on the matter is totally unfounded.

There is currently no pressure for a devaluation from international financial organizations.

The government and the Central Bank of Honduras reject any move that might undermine the soundness of our nation's currency.

The administration does not agree with the unfortunate statements by the president of the National Congress, Carlos Montoya, about a possible devaluation of the lempira. On the contrary, it reaffirms its determination to maintain the conditions under which the lempira can maintain its current value vis-a-vis the dollar.

Tegucigalpa, F.M., 18 July 1986
Press Secretariat of the Presidency of the Republic

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MILITARY, AZCONA DENY REFUGEES ACCESS TO OLANCHO

Tegucigalpa LA TRIBUNA in Spanish 24 Jun 86 p 2

[Text] Nicaraguan refugees will not be relocated in Olancho, Armed Forces Chief of Staff Col Amilcar Castillo Suazo announced yesterday.

In an interview minutes before the closing of the Cabanas 86 joint military maneuvers, Colonel Castillo Suazo said that there is a consensus among the members of the Superior Council of the Armed Forces and President Jose Azcona that the refugees should not be brought further inside the country's borders.

"I spoke last Friday with President Azcona and mentioned the issue of the refugees to him. He also feels that the refugees should not be relocated in Olancho or anywhere else further inside the country," he noted.

The chief of staff indicated that the Superior Council of the Armed Forces would meet over the next few days to take up the issue of relocating the refugees further from the border. "But there is a consensus that bringing them further inside the country is not a good idea."

"If they are causing problems for the country's security and making us cut down forests when they are along the Nicaraguan border, I think that it would be more harmful to bring the refugees further inside the country, especially to Olancho," Castillo Suazo noted.

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HONDURAS

IMPACT OF CONTRA PRESENCE ASSESSED

San Pedro Sula TIEMPO in Spanish 14 Jul 86 p 6

[Editorial: "Refugees in Their Own Land"]

[Text] There are not just displaced Salvadorans. Nicaraguans and a few Guatemalans in Honduras, the land of Central American refugees. Paradoxical though it may seem, there are also Honduran refugees, who are starting to receive charity from the United States.

The Honduran refugees are a result of the government's policy towards Nicaragua, as it illegally allows the United States to use areas bordering on that country for its escalating war against the Sandinist revolutionary regime.

The "contras" have completely taken over 450 square kilometers of our territory, exerting total military control over what used to be called a "recovered zone," and have expelled Honduran farmers and peasants, making victims of them.

More than 16,000 of our fellow countrymen have been driven from their homes, their farmlands and their coffee plantations and into ostracism in their own country. Their homes and lands are now in the hands of the more than 40,000 Nicaraguans who are part of the contra operation: the mercenary army, family members and those others who see an opportunity to live off the war dollars.

The Nicaraguan invasion is thus under way. It is not an invasion by the Sandinist Army, as the Reagan administration portrays the "threat" to our country. It is an invasion by Nicaraguan subversives financed by the U.S. Government and the CIA.

Moreover, it is an increasingly destructive invasion that has been ruining the agricultural economy of a vast region that used to produce coffee, livestock and basic grains and that has now become a place of refuge and exploitation for the Nicaraguans.

We Hondurans have thus seen how our fellow countrymen have been pitilessly uprooted and are now reaching out for help from the International Agency for

Development in the United States, from CARE and from organizations such as "Friends of the Americas" and the "Grand Order of Malta."

Once peaceful farmers who owned their own land and were masters of their destiny, they have now become beggars in need of international alms.

To any Honduran who has a modicum of dignity and through whose veins flows blood, not ice, this is humiliating and cause for indignation. Hard though it may be to acknowledge, we are descending to a level of degradation that is unprecedented in our history.

The previous and current administrations are directly to blame for this situation, as they have pursued a policy of caving in and have not watched out for Honduras or Hondurans. They try to justify everything by stressing the need to be on good terms with the Reagan administration so that it will furnish the financial aid needed to keep our economy afloat.

This is not true, however. National interests can be reconciled with U.S. interests without our having to be so servile. The United States is not just the Reagan administration. It is also the American people, who see things differently, and Congress, which has as much power as President Reagan himself, or more.

What is happening to our fellow countrymen along the border with Nicaragua is a national disgrace. We Hondurans must see it as such and act with integrity, instead of condoning and seeking excuses to avoid confronting this fact.

As the money comes pouring in for the contras, the situation will become much worse, and the day will come when Honduras is embroiled in a fratricidal war with Nicaragua.

Relocating the Honduran refugees from El Paraiso in the Patuca River region (Olancho) is apparently one solution, and we should even supposedly express our gratitude for the food aid from overseas. The fact of the matter is that this is the best way for Honduras to lose a vast piece of territory, for the war to escalate and for all of us to cover ourselves with ignominy.

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CSO: 3248/606

CONTADORA'S ROLE IN CENTRAL AMERICA 'FINISHED'

Tegucigalpa LA TRIBUNA in Spanish 7 Jul 86 p 5

[Editorial: "Back to Square One"]

[Text] We had the pleasure of seeing and hearing the nation's foreign minister this weekend on our television screens. He appeared on a "nationwide hookup" with three other individuals to explain why the Honduran Government has rejected the last peace proposal submitted by the Contadora Group.

Speaking in addition to the foreign minister was his closest adviser. The other two men must have been there just for decoration because they did not even say good evening.

The important thing about the program, however, is that the people now know from the Foreign Ministry that "the last draft document proposed by the Contadora Group at the joint meeting of foreign ministers in Panama City on 6 June is not, in the opinion of the Honduran Government, a document that sets forth reasonable and sufficient obligations to guarantee its security."

We also learned that Contadora said that it had "exhausted its mediation efforts in the substantive aspects of the document but is still available to cooperate in negotiating its operative and practical aspects."

According to the Honduran Foreign Ministry, the latest Contadora document does not include "the criterion that has been accepted by four Central American governments relating to the use of the "factoring table" for establishing the maximum levels of military development. The Honduran Government also says that the document "sets forth subjective criteria that are difficult to assess on a multilateral basis and that would make an agreement on the limitation, reduction and control of military weaponry and troop strength impossible."

At the close of his appearance, the foreign minister virtually said good-by to Contadora, thanked it for all of the work that it had done these past few years and then brought out a brightly painted toy clock to show how the hands begin and end at the same place.

A few days ago the Central American presidents were meeting in Guatemala to sign the Esquipulas manifesto. There they expressed their willingness to sign the Contadora Document soon. The four countries, Guatemala, El Salvador, Costa Rica and Honduras, said that they were prepared to sign the document right away but that Nicaragua was not.

Who knows what happened in the interim. Nicaragua suddenly comes out and says that it is ready to sign the document, and the other four countries now say that they are not going to sign it. Either we are talking about two different documents, or someone should find out what happened.

It seems that Contadora made changes in the document between the Esquipulas meeting and now. The document now seems to be more in Nicaragua's interest. This is the only explanation that we can come up with as to why the four were previously eager to sign and the fifth was not and now the reverse is true.

Be that as it may, if Contadora has stated that it has exhausted "its mediation efforts on substantive aspects of the document," this means that there is no longer any way that the document can be amended to suit the views of the four countries that are voicing their disagreement with it. And if the document cannot be modified and four countries do not wish to sign it, then we have gotten nowhere.

To all this we should add that the United States has just approved $100 million in aid for the counterrevolution. And here in Honduras it unceremoniously removed its ambassador.

What this means is that Contadora is on its last legs. The question then arises: After Contadora, what? This is what the Foreign Ministry did not clarify.

We have also heard an argument that goes something like this:

There is talk of peace in Central America and of the five Central American countries signing the Contadora Document to secure this sought-after peace. But the fact of the matter is that the countries of Central America are not at war with each other.

The wars that are going on in some countries are internal. In El Salvador and Guatemala leftwing guerrillas are battling the governments there. In Nicaragua there is a war between the "contras" and the Sandinists and between the Sandinists and priests and anything else that smacks of an opposition. In Honduras the war is between candidates.

Contadora, which so many have praised, thus seems to have come to an end.

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EFFECT OF CENTRAL AMERICAN CRISIS OUTLINED

Tegucigalpa LA TRIBUNA in Spanish 15 Jul 86 p 5

[Editorial: "Springboard"]

[Text] The Sandinists have reacted to the hardening of U.S. policy towards the Nicaraguan Marxist regime by further tightening the screws on the Nicaraguan people. A sort of backlash. In other words, to get even with the United States, they are taking it out on priests from their own country and ordering reprisals against newspapers.

LA PRENSA, the paper that during the Somoza dynasty was perhaps the strongest opponent of the dictatorship, contributed greatly to Anastasio Somoza's fall. The eyes of world public opinion became riveted on the Somoza regime after Pedro Joaquin Chamorro was slain.

The grief that the death of this eminent journalist caused in Nicaragua and throughout the world shook the walls of the dictatorship.

It was the Sandinists who benefited most from the indignation that the death of Pedro Joaquin prompted. The same could be said about the role that the Catholic Church played. The Sandinists probably could not have toppled the regime by military force alone. A broad-based opposition was needed in Nicaragua: the involvement of unions, of peasant organizations, of private enterprise, of the Church, of housewives, in short, of almost the entire Nicaraguan population uniting in the struggle against Somoza.

World public opinion also had to turn against the dictatorship. The countries that belong to the OAS had to show their solidarity. Ultimately, the United States itself withdrew support for the Somoza regime, leaving it practically at the mercy of its political and military opponents.

Now, however, the Sandinists, who little by little have been radicalizing their revolution, are disavowing all the aid without which they could not have overthrown Somoza.

For some time now a crude persecution of any opposition group has been under way in Nicaragua. The Church is being humiliated just because it will not bend to government whims.

Most recently, Pedro Joaquin Chamorro's newspaper has been closed down. We cannot speak of freedom of expression in a Marxist regime. We already know that they have their own peculiar concept of democracy. Anything that is said against them is an attack on the revolution. Rightwing and leftwing dictatorships are not much different in this regard.

They closed down LA PRENSA, but the democracies of Latin America will surely soon forget this assault on freedom. Before too long there will surely be those who will argue that we have to be understanding with Nicaragua, that its government has reacted thus because the United States is harassing it. Many believe that Nicaragua must be tolerated. Somoza had to be routed because he was evil, but we have to compromise with the Sandinists, who are turning out to be almost the same.

We can say all of this and more without fear of error. In spite of all we know and have said, however, the consequences of the massive aid that has recently been granted to the counterrevolution are still worrisome.

We are no longer talking about just $100 million.

According to reports, behind all this there are millions more in logistic support. The $100 million is just the tip of the iceberg.

While the Foreign Ministry here still makes believe that the "contras" do not exist, they will surely become a full-fledged army of unpredictable battle strength. The Sandinists have said that if their stability in Nicaragua is threatened, they will ultimately set Central America ablaze.

How can the huge increase in U.S. aid to the counterrevolution not wind up dragging Honduras into dangerous confrontations with Nicaragua? Because the claim that the contras now have to leave and remain in their own country is nonsense. The U.S. media themselves have published statements by American officials attesting to their use of our country as a springboard, even though the government here is bending over backwards to deny it.

Honduras must be prepared lest it be dragged into an armed conflict with Nicaragua because of U.S. policy in Central America.

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CSO: 3248/608

LACK OF HOUSING, JOBS SEEN ADDING TO CRISIS SITUATION

Tegucigalpa LA TRIBUNA in Spanish 26 Jun 86 p 5

[Editorial: "Lack of Housing and Jobs"]

[Text] In addition to the burning, almost terrifying problems of health care and education, land distribution, farm production and the lack of housing and jobs are extremely serious problems that are truly threatening the stability of human society. This situation is, of course, common to all poor nations of the globe, which are in the majority.

We, naturally, are concerned about Honduras. Even though our country has enough land, the peasants complain of not owning it so that they can reap its generous fruits and feed themselves and their families. The demands voiced to the National Agrarian Institute (INA) are on the increase. The institute's bureaucratic snail's pace does not seem consistent with the demands of farm workers. We would add that the shortage of funding is the Achilles' heel of the autonomous institute's directors. Executive directors come and go, and none has managed to make the institute a success. When they take office, they all speak of reforms and overhauls, but they go no further than the paper on which they have been written.

The housing shortage is another thorny issue. The shortfall in housing is alarming, especially in the most densely populated cities. Poverty belts abound in Tegucigalpa, San Pedro Sula and other major cities in the country.

From the time that he took office, the president of the republic has stated that solving this problem would be a priority of his administration.

The technicians in the cabinet have outlined plans that will hopefully not remain on the drawing board but instead become reality in the medium term.

Inexpensive, comfortable homes must be built with local materials, not the match boxes that the National Housing Institute (INVA) has thrown up in more than one capital city district, where families live in shameful overcrowding. This is no way to combat urban blight.

Meanwhile, people from the countryside continue to invade the cities because they have no incentive to sink permanent roots there.

Unemployment is the other problem that we have repeatedly taken up in this editorial column. We do not have statistics at hand, but they are not needed to draw the conclusion that several hundred [sic] of our fellow countrymen are without stable jobs.

The administration has spoken of full employment, but aside from some 1,000 positions for teachers and some 3,000 in the Ministry of Communications, Public Works and Transport, which are like a few drops of water in a bucket, it has not been doing enough.

In passing, we must recognize that this is not just a task for government. Private enterprise, the main source of jobs, is not doing much either to correct the situation. It too complains of insufficient incentives and, what is more serious, a lack of markets to sell its goods on. With the withdrawal of Guatemala and Costa Rica from the Clearing House and the resulting closure of their borders to the products from the other nations of the region, the panorama is truly distressing. We do not know what steps the Secretariat of Economy and Commerce will take, in conjunction with businessmen, to reverse the situation. In any event, we must realize that we are looking at a dead end.

Investment is depressed, as the economists say, not just because of the lack of capital markets, but also because domestic and foreign businessmen are conscious of the cancer that is the Central American political crisis. God have mercy on us!

8743
CSO: 3248/606

LIBERAL PARTY SPURNS RODISTA FACTION AFTER VICTORY

Tegucigalpa LA TRIBUNA in Spanish 16 Jul 86 p 5

[Editorial: "Cancer and Rot"]

[Text] Divisions are eating away at the Liberal Party, like cancer in a body and rot in a tree. It is by now an unquestionable historical fact that out of power the Liberal Party is a dynamic, powerful organization; the proof is that it stoically endured the 16 years of Carias Andino.

The party's hardships during that fateful period are simply indescribable. Many of its activists were systematically persecuted.

People were exiled, imprisoned and killed.

Some even believed that the Liberal Party had ceased to exist. But like a phoenix, the party rose from its own ashes. Under the charismatic leadership of Ramon Villeda Morales, who brought it to power, it ran one of the most progressive administrations in the country's history, issuing laws such as the Labor Code, the Agrarian Reform Act and the Social Security Act, which today are still valuable pillars of our democratic way of life.

Towards the close of his term, which was cut short by a coup d'etat, the specter of rifts began plaguing the Liberal Party again.

After a lengthy period of de facto governments, the party was once again victorious with Roberto Suazo Cordova, but midway in his term of office the specter of internal rifts arose once more. Divided and subdivided, it ran in the 24 November 1985 elections with four candidates for president. And it scored another triumph, thanks to alternative "B," which allowed the votes of all presidential candidates to be combined.

This is how Jose Azcona Hoyo came to power. He is president of the republic thanks to the combined vote totals of the other Liberal candidates. The Rodista wing, with more than 250,000 votes, made his victory possible. Yet that wing of the party is being discriminated against and persecuted. The Rodista people who enabled the Liberal Party to triumph are being treated like lepers. Why? The Azcona people say that Suazo Cordova did the same thing to them and, therefore, that they have to give their comrades-in-arms a taste of their own medicine by ousting them from government. Which is what they are doing. Anyone who smacks of being a member of the Rodista wing is being fired without any consideration whatsoever, regardless of whether they are humble servants such as chauffeurs, janitors, watchmen, etc.

By virtue of the famous National Unity Pact (PUN), however, half of the government was handed over to the National Party, even though now some of its leaders are pretending to ignore the fact that a majority in the Judiciary, a majority on the Election Tribunal and in the National Registry of Persons, the Office of the Attorney General, two cabinet secretariats and several autonomous agencies were given to them on a silver platter.

History is repeating itself. The rifts in the Liberal Party are even more conspicuous than during the Azcona administration. There are already a legion of hopefuls seeking the chairmanship of the Executive Central Council and the presidency of the republic, all of them under the ruling party umbrella. One minister even dared to say, contradicting the president, that it was a joke to try to keep them out of politics.

One final question: How will these alleged hopefuls be able to ask those who have been persecuted and discriminated against to vote for them?

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BRIEFS

PDCH NAMES REGISTRY HEAD--San Pedro Sula--The Municipal Directorate of the Christian Democratic Party of San Pedro Sula has appointed Carlos Turcios to replace Fernando Meza as head of personnel at the National Registry of Persons here. Turcios denied radio reports that Fernando Meza had been removed because he is a supporter of Ruben Palma, who is a candidate to succeed Efrain Diaz Arrivillaga as president of the Honduran Christian Democratic Party (PDCH). Turcios said that the accounts were completely untrue, asserting that such a change was normal inasmuch as the PDCH is accustomed to rotating personnel every so often so that all activists can gain experience. Carlos Turcios said that in the wake of the internal elections in the PDCH a series of false rumors have been propagated by groups that seek to confuse the party's activists. [Text] [San Pedro Sula TIEMPO in Spanish 18 Jul 86 p 4] 8743

DUTCH AMBASSADOR NAMED--The chairman of the Commission of High Territorial Studies, Mario Carias Zapata, has been named Honduras' next ambassador to Holland as of 1 July. He replaces Roberto Arita Quinonez, who will become an adviser to the commission. The new ambassador's former post as chairman of the Commission of High Territorial Studies will be filled by Ramon Valladares Soto, the former minister of government. Carias Zapata will also reportedly later be appointed delegate to the International Court of Justice at The Hague. [Text] [Tegucigalpa LA TRIBUNA in Spanish 25 Jun 86 p 3] 8743

CSO: 3248/606

MEXICO

BISHOPS NOTE WIDESPREAD DISCONTENT, SUPPORT HUMAN RIGHTS

PA281533 Mexico City EL UNIVERSAL in Spanish 25 Aug 86 p 17

[Statement issued by the Mexican Episcopal Conference (CEM) at Guadalajara, Jalisco, dated 19 August--passages within slantlines published in boldface]

[Text] Mexican bishops have detected discontent in our people, which is becoming generalized because of the present situation in the country.

We regret the limited information and distorted publicity surrounding topics of national interest and the pastoral actions of certain bishops who loyally follow their people.

/We want once more to make it clear that:/

1. All men, without discrimination, have the right and the obligation to speak out in defense of human rights.

2. Our country, in order to act coherently, should respond to the commitments made at several international forums to safeguard human rights.

3. The church--shepherds and other faithful--have the right and the obligation to project their faith within the realities they live in.

4. When the bishops, faithful to their mission, speak out for human rights, they are not overstepping their authority.

5. The Mexican Episcopate supports its brother bishops and all persons who in various ways defend the right to educational freedom, to elect their own to personal safety and security, to correct information, etc.

We therefore praise the full backing of these bishops for the spirit of unity in the Catholic Church, and reaffirm its union with the Mexican Episcopate.

/We exhort our faithful and those who want to listen to:/

1. Seek the truth behind the events.

2. Reject the temptation for violence and the hatred that divides.

3. Talk and develop harmony, using all moral, legal, and peaceful ways.

4. Participate permanently and responsibly in all areas of civic life.

As at all the moments of our national history, we place again in the hands of Saint Mary of Guadalupe our fatherland's unity and destiny.

/On behalf of the Mexican Bishops/

Sergio Obeso Rivera, archbishop of Xalapa, CEM president; Luis Munive Escobar, bishop of Tlaxcala, eastern region representative; Juvencio Gonzalez Alvarez, bishop of Ciudad Valles, northeastern representative; Manuel Perez-Gil Gonzalez, bishop of Tlalnepantla, CEM secretary general; Jose Maria Hernandez Gonzalez, bishop of Chilapa, south region representative; Miguel Patino Velazquez, bishop of Apatzingan, Don Vasco region representative; Antonio Lopez Avina, archbishop of Durango, Pacific Vizcaya region representative; Luis Miguel Canton Marin, bishop of Tapachula, South Pacific region representative; Ricardo Watty Urquidi, auxiliary bishop of Mexico, metropolitan region D.F. representative; Jose A. Llaguno Farias, bishop of Tarahumara, northern region representative; J. Esaul Robles Jimenez, bishop of Zamora, CEM vice president; Pedro Aranda-Diaz Mumoz, bishop of Talacingo, central region representative; Jose Fernandez Arteaga, bishop of Colima, western region representative; Luis Morales Reyes, auxiliary bishop of Torreon, CEM general Treasurer; Mario de Gasperin Gasperin, bishop of Tuxpan, Gulf region representative; Anselmo Zarza Bernal, bishop of Leon, Bajio region representative; Emilio C. Berlie Belaunzaran, bishop of Tijuana, northeastern representative; Rafael Garcia Gonzalez, bishop of Tabasco, southeast representative; Manuel Samaniego Barriga, bishop of Cuautitlan, surrounding metropolitan region representative.

Guadalajara, Jalisco; 19 August 1986

/9716
CSO: 3248/586

ICJ CASE AGAINST HONDURAS, COSTA RICA OUTLINED

Managua BARRICADA in Spanish 3 Aug 86 p 3

[Interview with Dr Augusto Zamora, legal adviser to the Nicaraguan Foreign Ministry, by Maria Isabel Pasos; date and place not specified; first five paragraphs are introduction]

[Text] Managua, (ANN [New Nicaraguan News Agency])--Since 1980, the year that the counterrevolutionary forces were organized in neighboring countries, Nicaragua has been trying, unsuccessfully so far, to conduct bilateral dialogues with the governments of Honduras and Costa Rica. The Sandinist leadership has on many occasions offered proposals to and called for a sensible attitude from the government leaders of those countries, in a bid to find peaceful solutions to the problems arising from the complicity of the two neighboring nations in the interventionist policy of the United States in Nicaragua.

Even though the counterrevolutionary forces are making use of their territory, with the acquiescence of their respective governments, Honduras and Costa Rica have refused to take the necessary steps to put an end to the situation.

Therefore, this past 28 July Nicaragua decided to turn once again to the International Court of Justice to begin judicial proceedings against these two nations.

"Nicaragua has been forced to resort to this vehicle for a peaceful solution in the hope that the court can restore peace, mutual respect and trust between our nations," the official communique of the Nicaraguan Government indicates.

ANN discussed this new initiative with Dr Augusto Zamora, a legal adviser to the Foreign Ministry and a member of the judicial team that filed the suit before the International Court.

ANN: Dr Zamora, what specifically are the new suits about?

Answer: The suits against Honduras and Costa Rica are essentially based on the same legal grounds and facts. As has already been indicated, in the case of Honduras, Nicaragua had tried to reach a direct bilateral accord to resolve the problem posed by the anti-Nicaraguan activities that are being conducted in and from that country. In many instances the army of that nation has been directly involved in armed attacks on Nicaragua. It is public knowledge that the Honduran Government openly supports the mercenary groups that are operating against our country. It is also public knowledge that these same mercenaries have camps, airports, supply and training centers, public and semiclandestine operations centers...in a word, an entire infrastructure for aggression against Nicaragua that clearly violates the basic norms and principles of international law. Nicaragua has thus decided to file this suit against Honduras with the International Court of Justice.

ANN: On what does Nicaragua base its legal arguments?

Answer: They are well known. The charter of the United Nations, the charter of the OAS, other inter-American conventions of international law, as well as the principles and norms of common international law. I am talking specifically about the principles and norms of international law that prohibit the use of or the threat to use force, that prohibit States from intervening in the internal affairs of others, that oblige States to respect the sovereignty and territorial integrity of other States, and the principles that dictate respect for the basic foundations of humanitarian international law, particularly as regards acts of terrorism or indiscriminate violence against the civilian population of a State.

Our primary interest is to find a peaceful solution to this situation, given that the efforts towards a direct bilateral settlement have been exhausted. We obviously examined the alternatives we had available to counter the illegal policy in which the Honduran Government is engaged and we concluded that the best procedure left open to us was to turn to the International Court of Justice, whose obligatory jurisdiction Honduras has accepted. It even signed two treaties with El Salvador for bringing before the court its territorial dispute that was the motive or pretext for what has come to be called the "Soccer War."

ANN: And what about the suit against Costa Rica?

Answer: The grounds are basically the same. There are a few differences because of the different situation in Costa Rica, but the similarity lies in the presence of the counterrevolutionaries on Costa Rican soil and their use of it for armed actions against Nicaragua. In Costa Rica the mercenary forces are also making open use of land and own houses, recruitment and training centers and landing strips, among other facilities.

We spoke out against this situation many times, but the efforts to achieve a direct bilateral agreement also fell through. A Joint Commission was established with Costa Rica in 1982, but it turned out to be ineffective because of that country's lack of determination to come up with specific answers to the problem. I am talking about the measures that have been taken every so often. When a mercenary leader is expelled, when the capture of a clandestine hospital is announced, or when the arrest of a number of mercenaries is reported. The measures that we call specific must necessarily go to the heart of the problem, which means putting an end to the use of Costa Rican territory for armed actions and other illegal actions against the sovereignty, self-determination and independence of Nicaragua.

The complicity and involvement of broad sectors of the Costa Rican Government in the activities of these mercenary forces is also public knowledge. Even though we are talking about sectors, we are obviously talking about the responsibility of the Costa Rican Government, inasmuch as a government is responsible for the actions of its officials.

ANN: What are Nicaragua's demands?

Answer: The specific demands are that these two countries stop and refrain from all illegal actions to the detriment of Nicaragua. First, that they stop and refrain from using or threatening to use force against Nicaragua. That they stop and refrain from intervening in Nicaragua's internal affairs, that they stop and refrain from violating the sovereignty and territorial integrity of our country, that they stop and refrain from violating the principle of our country's self-determination. We are also asking the court to rule that Honduras and Costa Rica are obliged to indemnify Nicaragua for the damage caused by the actions that violate international law.

ANN: What procedures have been followed prior to the suit?

Answer: The procedure is set forth in the bylaws and regulations of the International Court of Justice. Prior to the filing of a suit, a country must prepare the documents that make up its case. It is not enough to tell the court that we are going to file suit against a country. We must draft a formal document and submit it to the secretary of the International Court; it must include the legal principles and facts and the specific demands of the plaintiff State. This was submitted on 28 July.

ANN: And what about the procedure after the suit is filed?

Answer: Normally, the court summons the representatives of the plaintiff State and the respondent State to agree on the dates that the argument and counterargument will be presented. The States that are party to the case and the chief justice of the court agree jointly on the date.

ANN: Has an approximate date been set?

Answer: No, not yet. There is some flexibility to give the States enough time to prepare their arguments.

ANN: Has Nicaragua already informed the governments of Costa Rica and Honduras about the demands it has filed at The Hague?

Answer: The court takes care of that. It has already officially notified Honduras and Costa Rica that Nicaragua has submitted separate suits, because there are two suits, one against each country. The court itself sends them the text of Nicaragua's suit. Out of courtesy we decided that our ambassadors in those countries should inform their governments of Nicaragua's decision.

ANN: Who is on Nicaragua's legal team?

Answer: For now, Dr Carlos Arguello, Nicaragua's representative to The Hague; Professor Ian Brownling from Oxford University in England; Professor Jose Maria Zelaya from this legal advisory office, and myself. We will be rounding out the team over the next few days.

ANN: Could you tell us what the main evidence is?

Answer: I cannot talk about the evidence that we have. That will be brought up during the coming stages of the trial. The evidence is part of our secret file, our case. As Nicaragua's attorney I cannot reveal what our case will be, but I can say that we are absolutely convinced that we have sufficient evidence to prove that Honduras and Costa Rica are guilty.

ANN: Is there any connection between the favorable ruling that the court handed down in the suit against the United States and this new suit?

Answer: There is a connection to the extent that this entire situation is interrelated. It is part of the same aggression that Nicaragua is suffering. Now then, each country is sovereign and, in this regard, must at its own risk assume the international responsibilities that it incurs in relation to other States. If Honduras and Costa Rica have been involved in activities that run counter to international law, then they must assume their responsibilities.

ANN: The enemies of the revolution have stated that Nicaragua is "using" the International Court of Justice for propaganda purposes. They said so during the suit against the United States and they are saying it again during this case. What could you comment to us about this?

Answer: We expected an attempt to belittle or downplay these judicial proceedings by Nicaragua. This is no way detracts from the validity of our action. The International Court of Justice was created precisely to peacefully settle disputes between States. This is the meaning of the court's obligatory jurisdiction based on the voluntary acceptance of the States, and thus it is absurd to assert that Nicaragua wants to use the court. This is an insult to the court because it is tantamount to saying that the magistrates are being used or manipulated by a given country. The court's function is to mete out justice in the international sphere. By bringing its suit, Nicaragua wants to see to it that justice is meted out.

We believe that recourse to the courts is better than recourse to war. We also believe that in every instance and in every place it is preferable to resort to peaceful means of settling disputes than to resort to force or coercion to counter the illegal activities of other States.

ANN: How will these new suits affect the negotiations that the Contadora Group is promoting?

Answer: The Contadora Group itself has indicated several times that its role in the Central American crisis is to seek a comprehensive regional solution to the crisis with the participation of the five Central American States. Contadora has never involved itself in bilateral issues. Moreover, all the

Central American countries, the members of Contadora and of the Support Group, approved a "gentlemen's agreement" at a foreign ministers' meeting. It said that bilateral problems between Central American countries must not be linked together or used to influence the Contadora negotiations, which have a different framework and different expectations. For example, the bilateral talks that Costa Rica and Nicaragua conducted with the support of France in 1984 in no way harmed or ran counter to the Contadora process, just as the negotiations between Honduras and El Salvador to settle their territorial dispute had no repercussions on the Contadora process either. Contadora is an organization in which five countries are involved and that seeks a comprehensive regional solution to the crisis of respect for international law.

So, bilateral disputes between the five Central American countries are not Contadora's province.

The group in no way opposes any bilateral initiatives that the Central American States may organize. Not only do they not run counter to Contadora; they strengthen the peace process to the extent that a solution to bilateral problems between Central American countries furthers a solution to the comprehensive regional crisis plaguing Central America.

ANN: Does Nicaragua regard as evidence the statements that the leaders of Honduras and Costa Rica have made about the contra presence inside their borders?

Answer: There have been a great many statements over the years. If we are talking about the most recent statements after Nicaragua filed suit, there have been several in which Honduras and Costa Rica have acknowledged the presence of the contras on their soil and the use of their territory to attack Nicaragua. They say, of course, that this is without the consent and contrary to the wishes of their governments. Obviously, no one is obliged to testify against himself. These points will presumably be brought up at the trial.

ANN: Could it be said, then, that Nicaragua has turned to the court to preserve its relations with Costa Rica and Honduras?

Answer: Since 1980 or 1981 Nicaragua has repeatedly complained that the U.S. Government is pursuing a policy aimed at provoking a confrontation between the countries of Central America and at causing a break between the countries of Central America as part of its overall policy of aggression against Nicaragua. Unfortunately, Nicaragua has been unable to prevent relations from steadily worsening. It is precisely for this reason that it undertaking court action against Honduras and Costa Rica. We thus hope, if not to halt the worsening tensions, because that shall we say is no longer in our power, at least to mitigate them. We hope that through these court proceedings we can cut short the spiral of war in Central America.

ANN: President Azcona has stated that he will not accept the court's ruling and that 3 months ago his country had withdrawn from "compulsory" jurisdiction because it "foresaw" an action like this by Nicaragua. What impact will this decision have?

Answer: The bylaws of the court provide that in the event of doubt as to whether the court does or does not have jurisdiction to hear a case, the court itself must decide on its own jurisdiction. Obviously Honduras has every right in the world to claim that the court does not have jurisdiction. This would mean a pretrial proceeding on the merit of Nicaragua's case to determine whether the court has jurisdiction or not, but the court is going to decide that. Honduras agreed to present all of its arguments, and Nicaragua is going to present its counterarguments, demonstrating that the court does have jurisdiction.

8743
CSO: 3248/616

MORE CONVICTIONS FROM ANTISOMOZIST TRIBUNALS

Managua BARRICADA in Spanish 1 Aug 86 p 2

[Text] The Anti-Somozist People's Tribunals (TPA), which celebrated their 3rd anniversary last month, are a vehicle of revolutionary justice that will exist as long as there is a war of aggression against the Nicaraguan people.

So far in 1986, the TPA's have tried more counterrevolutionaries than the year before. Since they were created, they have imposed the maximum 30-year sentence on only 49 individuals whom the people have found guilty of murder, theft, rape of women and children and the destruction of property.

In a brief assessment of the performance of these courts, Dr Armengol Cuadra Lopez, their chief justice, asserted that because of the characteristics that the war is gradually taking on, the TPA's are now trying more people.

Complying strictly with revolutionary laws, the tribunals seek to reincorporate into society those individuals who are involved in counterrevolutionary activities in one way or another.

For the first time classist tribunals are meting out justice in Nicaragua. "They do not seek revenge, only to mete out justice to the enemies of the people," Cuadra added.

Dr Cuadra asserted that one of the most dangerous individuals who have been given a maximum sentence is Javier Nunez Cabezas (alias "The Dead Man"), who murdered Mr and Mrs Barreda in Esteli.

Pilots Roberto Amador Narvaez, Hugo Aguilar Mendez, Jose Laos Ramos, Miguel Lopez Jimenez and Benito Gutierrez Guido, former officers in the defunct National Guard, have also been sentenced to 30 years in prison. They were all captured when the Sandinist People's Militias in Jinotega downed the plane in which they were traveling just as it was violating Nicaraguan air space.

Silvio Robelo Ortiz, who along with eight other individuals was endeavoring to set up an internal front in Managua, was also given a maximum sentence. They were planning, among other things, to hit major economic targets.

The TPA's try only those individuals who commit crimes against the Order and Public Security Law. Nevertheless, individuals who commit other crimes in the pursuit of their counterrevolutionary activities are also brought before the Anti-Somozist People's Tribunals.

Some 45 percent of the defendants before the TPA's served the Somoza regime; 20 percent were engaged in commerce and agriculture until the time of their arrest, and 35 percent are peasants whom the contras have deceived or pressured.

In many instances the defendants did not expressly wish to commit contra crimes, and revolutionary principles provide for the possibility of manipulation by the contras. "This is why we have the Amnesty Law and pardons," Dr Cuadra asserted, adding that "there are individuals who are fed up with crimes, who see that the contras' only objective is to kill."

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PROGRESS OF AGRARIAN REFORM SUMMARIZED

Managua BARRICADA in Spanish 16 Jul 86 p 3

[Article by Desiree Pallais]

[Text] One of the main objectives of the agrarian reform in 1986 is to improve the support services for agricultural and livestock production through organized cooperation between peasant farmers and the state-run enterprises that border on their land.

In the countryside, small and medium farmers and the various forms of cooperatives coexist with state-run enterprises, which "will become the hubs that organize and integrate production activity throughout their territory," indicated Alonso Porras, the deputy minister of agricultural-livestock development and agrarian reform, in an interview with ANN [New Nicaraguan News Agency].

The mechanisms to achieve this objective will depend on each sector, Porras explained. For example, a state-run livestock enterprise could provide peasants in its sphere of influence with purebred or genetically superior livestock, as well as other inputs, thus improving the herd of all cattlemen in the area, he said.

The agrarian reform program also calls for bringing together production under the various forms of ownership in the countryside, through the revolution's investment programs. State-run enterprises will function as industrial plants in this integration effort.

Porras reported that the 1986 agrarian reform program calls for 179,372 manzanas [1 manzana=1.75 acres] to be handed over to cooperatives and 172,406 manzanas to individual owners, on top of the 2.5 million that have already been handed over.

A more thorough study of the various peasant sectors "will also make procedures for handing over land more flexible," the deputy minister asserted. In this regard, Porras referred to the uneven development of Nicaraguan agriculture, which has created "great complexity in the countryside," he remarked.

"A peasant farmer decides of his own free will how he wants to organize production on his parcel of land," the deputy minister emphasized.

Under the Agrarian reform Law, the revolutionary State guarantees agricultural and livestock activity to those who work the land efficiently and protects, honors and respects the individual property of small and medium peasant farmers, in accordance with official documents.

So far this year, 68,583 manzanas have been handed over to individual farmers, which represents a third of the amount of land handed over to them during the past 6 years, he asserted. Nevertheless, the scheduled amount is higher. "The trend towards cooperativization was stronger than expected," Deputy Minister Porras stressed.

There are two kinds of peasant farmer cooperatives in Nicaragua: the Sandinist Agricultural Cooperatives (CAS) and the Credit and Service Cooperatives (CCS). Under the former, land, labor and capital are cooperativized. In the CCS, in contrast, the peasant farmers band together to secure credit and technical assistance but keep the production process on an individual basis.

As forms of superior organization, the cooperatives have also succeeded in reclaiming abandoned land in war zones, Deputy Minister Porras underscored, citing as examples the areas where basic grains and coffee are grown. These lands, in turn, have helped to offset the destabilizing effects of the blockade and the war of aggression on the economy, he asserted.

The deputy minister estimated that 300,000 manzanas would be out of production had they not been incorporated into the agrarian reform process. Bringing land under production is one of the accomplishments of the agrarian reform, he emphasized, recalling that the cooperatives fill 24 percent of domestic consumption needs.

Porras also underscored the political development of the peasant farmers in setting up their cooperatives, which have become targets of the counterrevolution because they are accomplishments of the revolution.

Paradoxically, one direct effect of the aggression has been to hasten agrarian reform.

According to official data, almost 250,000 persons have been displaced by the war. Last year a special government program helped 18,000 peasant families, who are presently tilling 300,000 manzanas of land. These peasants formed CAS and CCS cooperatives in a total of 200 settlements.

"The agrarian reform process has become a barrier against the destabilizing effect of American aggression," he added.

Almost 90,000 families have benefited from the agrarian reform since 1979. About two-thirds of them received land for the first time, and the rest got title to parcels that they were farming.

By the close of 1985, the agrarian reform had given 83,322 families title to a total of 2,523,388 manzanas.

The agrarian reform offers peasant farmers an opportunity for betterment and stability, the deputy minister indicated, underscoring the revolution's political determination to solve the problem of landless peasants.

The Agrarian Reform Law was amended early this year to better meet the demands of dispossessed peasants. The 1979 law set limits to the tracts of land that the agrarian reform could expropriate (about 500,000 manzanas).

Compounding the needs of the people who have been displaced by the war, last year thousands of dispossessed squatters from the Pacific coast and the northern, central and southern regions of the country created a huge demand for land. According to official data, by midyear some 80,000 families were demanding land to till.

The government initially resorted to the transfer of state-run enterprises and to purchases of land amounting to almost 700 million cordobas. The authorities later concluded that the State could not meet all the peasants' demands for land and that the new law had to be amended.

In January of this year the amendments to law did away with the limits on land expropriations, making idle, abandoned or inefficiently used properties subject to expropriation. In cases of extreme need the law even provides that an efficiently used property can be expropriated "for reasons of public use or social interest."

8743
CSO: 3248/617

CIVIL DEFENSE PART OF SCHOOL CURRICULUM

Managua BARRICADA in Spanish 5 Aug 86 p 5

[Text] Civil defense will be made part of the preschool, primary and secondary school curriculum as of this second semester, with classes beginning on the 15th of this month, reported Evenor Garcia, the assistant director general of the Education Ministry.

Some 720,000 students will receive practical information on civil defense so that they can protect themselves in the face of any eventuality, whether a natural disaster or a direct attack by imperialism.

Students will thus become familiar with theory and basic measures for their protection, the Education Ministry official said. He went on to indicate that methodical work has been under way since last January with the National Civil Defense Staff to teach this subject at the various levels of schooling.

The Education Ministry and the civil defense organization conducted a workshop in which 64 technicians from all regions took part. They were taught the theoretical framework of civil defense, the fundamental concepts and the procedures to be followed in the event of a direct attack or a natural disaster.

In turn, these technicians will spread their knowledge throughout their regions by teaching the techniques they have learned to directors, training workshop coordinators and classroom teachers.

Garcia asserted that the educational content of the various course levels is in keeping with the tone of imperialist aggression and with the people's defensive readiness. Therefore, he said, each year the content will have to be changed to the extent that Ronald Reagan's democracy alters the war that it is waging against Nicaraguans.

Addressing another topic, Garcia said that driver's education could be made part of the curriculum next year to counter the wave of traffic accidents that cause enormous loss of life and property damage.

8743
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CANDIDATES CONSIDERED FOR COLORADO PARTY PRESIDENCY

PY280027 Asuncion HOY in Spanish 24 Aug 86 p 8

[Text] Deputy Leandro Prieto Yegros, member of the Colorado Party Governing Board, might run for president of the Colorado Party in next year's elections, which will coincide with the 100th anniversary of the party.

About this possibility, Prieto Yegros said that even now, long before the official opening of the campaign, he has the support of approximately 80 out of approximately 600 delegates that the party will approve for the convention.

The nomination of Prieto Yegros for the presidency of the party is perhaps a surprise for those who, until today, have seen him as "not aligned" to either of the two camps: "Colorado Stroessnerist Fighters" or "Traditionalists." Nevertheless, Prieto Yegros is an example of what could be called "verticalism," in view of his well-known links with President Stroessner.

On the other hand, he has a background of dedication to the party ideals, and seeks to restore some lost traditions by returning decision-making power to the peasants. Prieto Yegros denounces the "oligarchs" and demands changes in the direction of the party.

Even if Prieto Yegros' candidacy is announced, there are other possible candidates to consider. The Colorado Stroessnerist Fighters (militants) are anticipating the nomination of Health Minister Adan Godoy Jimenez. The traditionalists, meanwhile, are seeking the reelection of Juan R. Chaves. In view of these expected nominations, it is almost certain that the Colorado Party convention next year will witness a real electoral fight; if circumstances allow it, of course.

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PARAGUAY

PLRA LEADER HELD INCOMMUNICADO IN CAAGUAZU

PY200207 Asuncion EL DIARIO in Spanish 19 Aug 86 p 46

[Text] Leaders of the Authentic Radical Liberal Party [PLRA] yesterday reported the detention of Crescencio Estigarribia of the locality of Simon Bolivar, Caaguazu Department. The spokesman and vice president of the PLRA, Juan Manuel Benitez Florentin last night reported the event and added that it is something "totally arbitrary and illegal" and that the PLRA board will conduct the steps to "demand respect for the right to hold meetings."

Estigarribia was detained at 1006 yesterday, when he was taken from his house. According to Benitez Florentin, the PLRA committee's meeting was held at Estigarribia's house on Sunday, 17 August. During that meeting they elected new party leaders with the participation of liberal party members from all sectors.

Present at the meeting were delegates of the party board Carlos Caballero Roig, Mauri Arza, Doctors Frutos Estigarribia and Felix Torres of Coronel Oviedo. At the end of the meeting, the mayor came and asked the objective of the meeting, and who was responsible for it. "We told him that the party board delegates and those of Coronel Oviedo were responsible," but yesterday at 1006 Estigarribia was taken to the police prison where he is being held incommunicado.

Dr Frutos Estigarribia yesterday afternoon asked for a meeting with the government representative, but he was not received, and was told to "return tomorrow" (today). Benitez Florentin added that he will take all the necessary steps.

It was also reported that lawyer Felino Amarilla, leader of the PLRA, will file a habeas corups petition this morning on behalf of Estigarribia.

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PARAGUAY

BRIEFS

TORTURE OF PEASANTS--Catholic Bishop Mario Melanio Medina has charged that 19 peasants were beaten and tortured by Paraguayan military and police forces when they evicted 300 peasant families that had occupied idle land in (Juan Oliry). The bishop added that the Paraguayan peasants live in constant misery, precariousness, and insecurity, without being able to work their own land, while the big landowners keep thousands of hectares idle. The Paraguayan police also violently broke up a march of hundreds of workers who were trying to reach the National Pantheon of Heroes in Asuncion to mark the 19th anniversary of the constitution. Independent station Radio Nanduti was unable to transmit information in the last few days because of the intense official jamming of its transmissions. Humberto Rubin, director of the station, has told the press that constitutional rights are systematically violated in Paraguay and that the actions against Radio Nanduti are good proof of this. [Text] [Havana International Service in Spanish 2300 CMT 26 Aug 86 PA]

COLORADO LEADER ON PARTY TRENDS--Public Health Minister Adan Godoy Gimenez, the 3d vice president of the Colorado Party, has expressed his concern over the emergence of several internal trends within the Colorado Party. "I do not like so many trends. I would prefer that there be at least two trends as initially envisaged. However, at this moment there is some restlessness, some nervousness among fellow party members because some people want to re-establish ancient groups while other people seek to create new groups," the minister stated. [Excerpt] [Asuncion HOY in Spanish 21 Aug 86 p 9 PY]

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PERU

1985 TRADE WITH JAPAN SHOWS $191 MILLION SURPLUS

Lima EL COMERCIO in Spanish 18 Jul 86 p B-13

[Text] In 1985, Peru had a trade surplus of $191.3 million with Japan.

According to figures compiled by Japanese Customs and elaborated by JETRO [Official Japanese Foreign Trade Organization], Peru sold products on the Japanese market worth $331.9 million.

Sales reached $487.3 million in 1983 and $407.2 million in 1984. Comparing these figures, there was a decrease of 18.5 percent.

Peruvian purchases from Japan totaled $181.3 million in 1983, $160.1 million in 1984, and $140.6 million in 1985. These purchases went down 12.2 percent between 1984 and 1985.

As is already traditional in trade between Peru and Japan, the main Peruvian exports in 1985 were metallic ores and their by-products for a total of $272.1 million. This was 24.6 percent less than in 1984.

The primary ore exported was zinc, $48.5 million (down 34.9 percent compared to 1984).

Iron exports totaled $38.7 million (down 11.1 percent), copper exports totaled $24.4 million (down 32.9 percent), and lead exports totaled $33.3 million (up 6.6 percent).

It can be seen that copper exports have decreased noticeably compared to 1984.

Exports of manufactured metallic products totaled $126.7 million in 1985, 24.6 percent less than in 1984.

Copper and its alloys contributed most to this category with $84.3 million, but that is 26.4 percent less than in 1984.

Exports of silver and laminated silver totaled $25.3 million, zinc and its alloys reached $14.4 million, and lead and its alloys sold for $2.5 million. These exports were down 20.5 percent, 22.0 percent, and 20.5 percent, respectively.

Peru continues to be Japan's primary supplier of lead, followed by Australia and Canada. It is Japan's second largest supplier of zinc after Australia and before Canada and is third in copper and its alloys after Zambia and the Philippines.

Nontraditional exports increased which means they can grow in the future.

These products include: crustaceans and mollusks which went up 183.4 percent; giant corn from Cuzco, up 108.2 percent; and fruits and vegetables, up 488.1 percent.

Raw materials for perfumes and pharmacological products went up 475.5 percent, wool fabric, 34.9 percent, and clothing--except leather and knit garments--352.2 percent.

Other nontraditional products exported, but not in significant quantities, include pumps, wool fabric, ties, works of art, and antiques.

As to imports, Peruvian purchases from Japan totaled $140.6 million in 1985, a decrease of 12.2 percent compared to 1984.

About 81.6 percent, or $113.3 million, of these imports were from the heavy industry sector.

Acquisitions in the machinery and equipment sector totaled $87.1 million, a drop of 11.1 percent compared to 1984 when they reached $98.1 million.

The machinery and equipment sector includes items like transportation equipment ($36 million), electrical machinery ($26.3 million), and nonelectrical machinery ($21.2 million).

Peru also bought rayon fiber, animal oils and fats, synthetic fibers, asbestos items, china, tires, etc.

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PERU

DETAILS ON TINTAYA COPPER EXPORTS TO BRAZIL

Lima EL COMERCIO in Spanish 15 Jul 86 p B-11

[Text] In 1990, copper exports to Brazil will reach $107 million, according to the president of the Tintaya mining firm, Rolando Sanchez.

A contract will be signed between officials of this state mining firm and the Brazilian firm Caraiva Metais, a state foundry.

The contract states that Tintaya will export 290,000 tons of copper concentrate. The president of Tintaya called the agreement important, especially for the medium term.

Mine production is expected to reach about 167,000 tons per year. About 8,500 metric tons of ore are now being processed daily, yielding 500 tons of concentrate.

He added that 30,000 tons will be exported this year. The first shipment of 10,000 tons will be made next month and the remaining 20,000 tons will be sent in two shipments to Brazil in December.

He indicated that these exports are the result of 4 months of negotiations with the Brazilian market in which MINPECO [Peruvian State Mineral Marketing Company] also participated.

He noted that the good quality of the Tintaya concentrate was the basic reason it got the contract.

As to the situation of copper in the world markets, Sanchez said that copper will always be important to industry because substitute materials that have been used have not yielded the expected results.

He said that this gives a higher added value to our production. Therefore, we plan to establish a small foundry soon.

He stated that a molybdenum concentrating plant will be established because this mineral has been found in the deposits. They are also working to exploit oxides.

He pointed out the relationship between the mining firm and the union, calling it a very important factor for the development of the mine. There has been a great spirit of cooperation in the talks.

As to operations, he revealed that the mine technicians have reduced costs through greater productivity and by using Peruvian-made explosives. He stated that the mine is producing at 100-percent capacity.

Finally, he said that 1,300 people work at the Tintaya mining firm, but only 100 of them work in Lima.

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'DANGEROUS' DECLINE SEEN IN PETROLEUM RESERVES

Lima EL COMERCIO in Spanish 15 Jul 86 p A-10

[Text] The Chapter of Petroleum Engineers reported that there has been a dangerous decline in our proven oil reserves from 1981 until now. It stated that if corrective measures are not taken immediately, there will soon be a critical shortage in the national oil industry.

In a public communique issued yesterday, that chapter of the Peruvian Association of Engineers indicated that there were only 526.6 million barrels of proven reserves in June 1986 compared to 835.2 million barrels in 1981. It stated that the drop will be even sharper this year.

It indicated that if the necessary measures are not taken, the national economy and the security itself of the country could be affected.

It also indicated that the reason for this dangerous situation is that the oil industry is subject to long-term programs as well as to changes imposed by the different governments.

It noted: "Under the current constitutional government, the instability and uncertainty have been accentuated both by the measures adopted and by the drop in oil prices which was foreseeable due to the anticipated OPEC crisis."

It also stated that, since the proven reserves are the most important indicator of the oil situation of a country, those reserves should, at the very least, remain "constant"; that is, each barrel that is produced should be replaced.

Otherwise, it only "compromises the future of the oil industry."

Facing this situation, the group recommends promulgating stable and coherent oil legislation as soon as possible that guarantees mutual respect between the state and the contractors if an oil policy of participation by private capital is to continue.

It adds: "Otherwise, a clear policy of necessary state investments through its oil enterprises must be determined in order to encourage exploration, the only way to reverse the situation that threatens our industry."

Therefore, it proposes that PETROPERU [State Petroleum Agency] and Petromar be structured as independent enterprises devoted exclusively to exploration and exploitation.

The director of the Chapter of Petroleum Engineers, Eng Tomas Mendoza Acosta, stated that the General Directorate of Hydrocarbons of the Ministry of Energy and Mines, as the normative and supervisory organization, should be responsible for the negotiation and supervision of contracts. PETROPERU and Petromar would be operational entities.

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CHICLAYO COCA COLA PLANT CLOSING CRITICIZED

Lima EL NACIONAL in Spanish 7 Aug 86 p 14

[Article by Jorge Fernandez: "Stability of More than 400 Workers Endangered"; first paragraph is EL NACIONAL introduction]

[Text] Chiclayo--The old Cassinelli beverage plant in this city will lay off at least 400 workers if it has to stop making and bottling Coca Cola on 1 July. The U.S. Coca Cola International Corporation is trying to withdraw its permission.

The general manager of Cassinelli, Juan Cassinelli Cassinelli, told EL NACIONAL that Coca Cola wants to withdraw its permission to make that beverage in order to give it to an enterprise that is being installed in Sullana.

He stated: "This decision by Coca Cola is not only arbitrary, but is against the interests of the government since it would no longer receive more than 5 billion soles in taxes that the Cassinelli factory generates."

He said: "Coca Cola is trying to take the product to Sullana because Sullana is exempting the industry from taxes. This would be legalized tax evasion with the problem that the same product, Coca Cola, would be brought to Lambayeque Department without paying any of the taxes to the government that we now pay."

The legal adviser for the Chiclayo company, Dr Rolando Galarza Zamudio, said that the government should intervene in this situation. For that reason, a long letter was sent to Prime Minister Luis Alva Castro, explaining in detail the attack against the region by this U.S. enterprise which is trying to get out of paying more than 5 billion soles in taxes.

He emphasized: "We have also gone to the congressmen for Lambayeqye Department to get them to intervene because they have the right to defend the industry of this region, especially the Cassinelli beverage plant which has been in business for 85 years and is the pioneer in this industry in northern Peru."

He added that Coca Cola's plan not only hurts the national economy but the labor stability of about 400 families. The authorities should not permit this multinational company to carry out its plan because it would aggravate the current social problem in Lambayeque Department.

The workers asked EL NACIONAL to publicize their concern "because we do not want to be unemployed in these difficult times when there is a shortage of jobs, especially for people over 40."

EL NACIONAL learned that the workers and businessmen are especially concerned because making and selling Coca Cola represent 55 percent of the monetary income. A cut would endanger the stability of the company which would run the risk of going bankrupt due to unfair competition from Sullana.

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PATRIA ROJA LEADER VIEWS ROLE OF LEFT

Lima EL NACIONAL in Spanish 7 Jun 86 pp 15-17

[Interview with Alberto Moreno, secretary general of Peruvian Communist Party-Patria Roja, by Zoraida Portillo; first paragraph is introduction]

[Text] Alberto Moreno, 45, is a veteran leftist leader who is little known on the national political scene because he spent almost 20 years of his life in the underground. He decided to come out into the open 2 years ago, after the Fifth National Congress of his party, the Communist Party of Peru-Patria Roja, at which he was reelected secretary general, a post that he has held since 1968. Having completed only the second year of secondary school, he is a living example of a self-taught man (Jose Carlos Mariategui was too) and of what the human spirit can accomplish on its own when it earnestly seeks to. Regarded as one of the clearest thinkers on the Peruvian Left, Moreno is simple, honest, reflective, critical and a man of few words. These qualities have unquestionably been heightened by his lengthy isolation, from which he has not yet completely emerged, in fact, inasmuch as he shuns interviews, public appearances and anything involving promotion of his own cause. We therefore thank him for being so kind as to grant our paper an extensive interview, of which we publish highlights below.

[Question] The documents of the Fifth National Congress of Patria Roja, referring to APRA [American Popular Revolutionary Alliance], which was then the opposition, note that it must not be forgotten that "it too suffers from its own shortcomings of class and program and from ties to imperialist monopolist interests." They add, however, that "we must not lose sight of the fact that it has some differences with and exercises some resistance to American imperialism and that its most progressive non-anticommunist wing has some potential for radicalization." Now that APRA is in power, what is your assessment?

[Answer] When we wrote that description, we were assessing its proposals at the time. Today we are looking at a 10-month track record, with definite results.

Our current assessment is that APRA is divided into two factions, and the one that we could call the most constructive is practically out of the picture. What we can see is a trend that we could well call "political reactionaryism." The trend is marked by the strengthening of McCarthyite positions and by no substantial change whatsoever in the treatment of the imperialist presence in our country.

[Question] Don't you regard the statements of support for Nicaragua and on the foreign debt as positive?

[Answer] That's different. There have been positive aspects to foreign policy statements, true, but not, I repeat, in dealing with imperialism in our country, which is ultimately the most important issue.

[Question] In what specific cases, for example?

[Answer] The most salient example is oil, which is symptomatic of the rest.

[Question] Going back to my previous question, do you feel, then, that Peru is pursuing a proper foreign policy?

[Answer] We feel that policy towards Nicaragua, for example, is positive, but at the same time we note a tendency towards duplicity. The best example is policy towards Libya; North Korea is another example. There is duplicity towards all of them. A foreign policy must be consistent. We do not see such consistency.

[Question] Let's get back to the domestic scene. Almost all of Patria Roja's documents brand APRA as "quasi-reformist." Don't you think that any of its members have revolutionary potential?

[Answer] There may be factions that are moving in that direction, but the fundamental direction is the most important thing. The other aspects are secondary. Naturally they must not be overlooked, but they do not determine the nature of a party or the nature of the intentions that motivate it.

[Question] Ten months into its term, do you feel that there is anything positive about the APRA administration?

[Answer] The concept "positive" is always relative. Positive compared to what? Our country is in the midst of a crisis of such magnitude that it is sometimes not taken seriously enough. The response that is being given to this multifaceted crisis must, therefore, be the yardstick for gauging what is positive, and in this regard we have not seen substantive changes. The proposals are aimed at the short run and at times lapse into demagoguery, but they do not go to the heart of the problem; there is no search for answers to the country's fundamental problems.

[Question] This means that in your judgment APRA is still taking a reformist, not a revolutionary approach, as its leaders assert...

[Answer] I would even say that in light of developments in recent months, the adjective reformist is debatable. What substantive reforms have been undertaken? If we analyze the problem of ownership relations, we do not see any changes. There have been no reforms either in dealing with the problem of violence. There have been haphazard, minor actions that have been portrayed as if they were major changes.

[Question] You have touched on a key issue at the moment: violence. What is your analysis of the new wave of violence besetting the country?

[Answer] We have always proclaimed the rallying cry "peace with social justice," which in turn entails the country's development. Now then, we feel that the process of militarization is continuing from the previous regime. There is a status quo in the approach to the problem of violence, which is not just Shining Path; it is a much broader and more deep-seated phenomenon. Thus, we do not see any in-depth changes in the treatment of the problem. Once again in Lima we are seeing an extension of the state of emergency, which in my judgment has been a failure from a political standpoint. As long as a proper political approach is not taken, violence will remain with us.

[Question] So then, what in your judgment would represent a change in the treatment of violence and terrorism?

[Answer] This phenomenon must be viewed as part of a larger problem. First of all, we must realize that the country's crisis is structural and touches every sphere of national life. Therefore, the response must be comprehensive, which is precisely what we are not seeing from the government. There must be a move towards restructuring the economy. The policy of "reactivation" does not rest on a sound foundation; the whole thing must be restructured, because the economic models that have been applied so far have failed one after the other. There have been variations in economic policies and in the effects of these policies, but the underlying approach remains the same.

[Question] Let's talk about United Left (IU). Do you think that it is headed towards reformism?

[Answer] Reformist temptations always pose a danger in a movement as large as United Left, as does the presence of positions further to the "left." Both are a constant problem. Under current circumstances, however, the problem is different. United Left must realize that it is a real alternative that is developing amid a structural crisis. It will justify itself historically if it can provide a comprehensive, radical response to this crisis. If, however, it remains within the bounds of traditional politics, it will merely be the conventional opposition in this country; it will not be a revolutionary Left.

It will be a Left that will wind up part of the system against which it rose up. That would be its tragedy.

[Question] Something is obviously going on, however, inside United Left. It has long been silent, for example, in its analysis of the country's political situation.

[Answer] Last November we issued a proclamation, a fine proclamation I think. The fact of the matter is that we have passed very important resolutions, but they are not matched by our actions. Moreover, we cannot conceal the fact that United Left is going through a crisis. And if we want to resolve it, we have to tackle it as is, by examining its causes and seeing how we can rechannel our efforts to overcome existing problems.

[Question] It is also a crisis of leadership, isn't it?

[Answer] Of course. A crisis has to affect a party's leadership.

[Question] In this regard, what do you think of Alfonso Barrantes?

[Answer] This is a very controversial issue. I would rather not analyze the issue of IU in terms of individuals. I think that we have always gotten off on the wrong foot in tackling problems in this country because we tend to individualize. Individuals have ideological positions and respond to social pressures, and United Left must be assessed this way too. As far as the leadership is concerned, the starting point is the lack of organization, the lack of understanding that a movement as large as United Left cannot be run without observing the rules that govern such a front and, what is more serious, unless the goals and policies being pursued and the actual deeds are consistent. This, I think, is the main problem.

[Question] But this is also the responsibility of the political parties that make up IU.

[Answer] There is individual as well as party responsibility. Individual, because a collective approach has been supplanted; the joint resolutions have not been firmly carried out. And party, because they have not taken on their role firmly and have, to a degree, pursued a policy of "laisser faire, laisser passer." Therefore, on this matter I am an advocate of comprehensive self-criticism that goes to the root of the problems. Until this comes about, the confusion and the various interpretations of the central problem plaguing United Left will persist.

[Question] And what is the central problem facing United Left?

[Answer] That it has lost its identity. It does not project the image of being a definite alternative, and that is indeed the responsibility of its president and steering committee. They must take a stand on all aspects of national life. They cannot remain silent and sidestep issues because that is irresponsible in politics.

[Question] Don't you get the feeling that APRA is taking away the Left's traditional strongholds, such as the slums?

[Answer] APRA is on the political offensive. It realizes that the main battlefield is the political leadership of the masses and it is benefiting from the Left's passivity. The Left is giving up ground and by the time it reacts, it will all of a sudden be too late.

[Question] What do you think lies behind the charges against members of IU, the accusation in court against its lawmakers and the claims that they have links to terrorism, etc?

[Answer] The aim is very clear: to portray United Left as a sort of public face of Shining Path and to split IU into factions that would hypothetically take that approach and others that would be more accepting of the regime's policies. There is only one aim behind all this: to crush the Left's initiative. We must not play into their hands.

[Question] Do you still believe that power comes from the barrel of a gun?

[Answer] If one believes that the State is in itself a class institution and that a class struggle is going on (and, therefore, class interests are involved), then violence unquestionably has a latent presence. Ideally, things would be different, but life is not always as one would like.

[Question] Shining Path continues to pursue its own strategy in spite of the efforts to defeat it. In this regard, do you think that the escalating terrorism can be gotten under control?

[Answer] There are two forces in our country that are each playing their own game, but with an identical goal. On the one hand there are the rightist sectors, which are seeking further militarization, a paring back of the Left's political territory, provocation; and then there is Shining Path, which is playing the same political game as the Right. They want today's political territory to disappear and a confrontation between themselves and the hardest-line sectors of society. I think that there is quite a bit to do in a complex situation like this. The first thing is a clear-cut struggle to democratize this country against authoritarian, corporativist, militaristic tendencies, and I think that the Left can win and dominate this terrain. It has to be made clear that the democratic forces are to be found among the people, not in the ruling classes, and the Left must embody this position. A second point is to assert a clear-cut anti-imperialist position and to reaffirm revolutionary patriotism. I think that the struggle that was waged in the past made a mistake with its anti-imperialism as an outward-looking emotion while it failed to assert patriotism and national dignity at the same time. United Left is in a position to do this if it really takes up its role.

[Question] Does the Tupac Amaru Revolutionary Movement (MRTA) arouse any support from you?

[Answer] Our own positions arouse support from me, because otherwise we would be in the MRTA.

[Question] But what do you think of this movement?

[Answer] That its approach is more political than Shining Path's, though I have the impression that its rank and file is weak. They unquestionably have a more clear-cut political approach, however.

[Question] Whenever there is a state of emergency among the masses, there is always talk of the coup d'etat "bogeyman," which of course is always a latent possibility in Latin American countries. My question is this, however: Is there a real possibility of a coup d'etat in Peru?

[Answer] It is a possibility...But for now I don't think that it is a very strong one. But there is always the threat, and it must be borne in mind, which is tantamount to saying that we must be prepared and we must prepare public opinion for such an eventuality.

[Question] You have spent most of your political career in the underground, and in a way you haven't left it. Is this because of leftist doctrine about always keeping cadres in reserve, or is it just a precaution?

[Answer] There are two factors: philosophy and method. Method, because we feel that a revolutionary party must conserve its strength for eventualities, and philosophy, because we emerged after 1968 with the goal of shattering the very strong leftwing tradition of bossism in Peru, whereby personalities wound up devouring parties. We wanted to emphasize a more collectivist spirit, to weaken the privileges of the leaders. Thus, we seek collective, not individual leadership in our party.

[Question] It has often been said that what the Left needs is new leaders. It has fine party cadres but no leaders of the masses, no politicians with charisma. This is allegedly another of the Left's weaknesses. Do you share this assessment?

[Answer] I don't think that there is any such lack. The fact of the matter is that the role of leftwing leaders is still being viewed from the same rightist perspective. Charisma and the selling of an image are purely for vote-getting, and we must take a fundamentally different approach. For example, I find bossism on the Left absurd, incomprehensible, especially on the Left that calls itself socialist, because socialism is collectivist and bossism is deeply rooted in individualism. So then, we have to adopt views and pursue courses of action that are consistent with a desire for social change.

[Question] How would you describe your party's foreign policy?

[Answer] We are for a foreign policy of nonalignment that emphasizes our country's relations with the Third World and opposes any type of colonialism, interventionism and Zionism, and we advocate unity among all the forces that uphold these same principles.

[Question] And what is your stand on the socialist countries?

[Answer] This is a somewhat controversial issue. Over the past 20 years the socialist countries have undergone various changes that have also prompted a variety of interpretations. Our position towards them is that they are conducting an experiment and have scored some successes and gains, but we no longer hold the same position we did in the 1960's, when we said that this or that country is or is not socialist. Instead, we let each country conduct its experiment in accordance with its own reality; we cannot set ourselves up as arbiters of who is doing things right and who is not. This is because we think that the construction of socialism is much more difficult and complex than we thought back then.

[Question] One final question. How does Alberto Moreno view Peru's future?

[Answer] From several angles. With concern, because the basic trend in the dynamics of the class struggle in the country is towards an ever worsening situation. This is why we speak of the prospect of a civil war unless we can find appropriate ways to reverse the situation. I am also optimistic, however, because an analysis of the situation leads to the conclusion that there is only one way out and that is socialism...

[Question] But to get there the country must travel a long road of hunger, poverty and unemployment...

[Answer] Of course. The situation is very harsh, which is why we politicians have to decide what to do. The road is tough, but socialism's prospects are getting better. In my judgment, the fundamental problem for the Left in this country is not that the objective conditions for the revolution are poor. I think that they are good. The factor that is missing is awareness, organization.

[Question] The subjective factor?

[Answer] That's right. The subjective factor is not keeping pace with developments. If this factor is not put back on its proper track, then the agony could continue, the revolution could suffer major delays and the masses could suffer frustrations. Under those circumstances, it would not be at all surprising if the desperate masses wound up taking extremist positions in the face of an ineffective Left that was not playing its proper role.

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PERU

UNDERWATER GEOLOGICAL FORMATIONS FOUND OFF TRUJILLO COAST

Lima EL COMERCIO in Spanish 3 Aug 86 p A-1

[Text] A mountain 1,000 meters high, volcanoes 500 meters high, a gorge 6,000 meters deep, and the formation of a new basin in the Nazca Plate underwater off our coasts were the main discoveries of the scientific mission of the French oceanographic ship "Jean Charcot."

The geologist for the scientific mission, Therry Boinet, explained: "These underwater geological formations will not change the structure of the Nazca Plate. Some volcanoes disappear when they penetrate the Continental Plate and others merge with it."

He stated that the formation of the mountain, volcanoes, and basin is recent, but the formation of the gorge is not. However, he indicated that this time reference is calculated in thousands of years.

Boinet explained: "The objective of our expedition was to draw up a topographical map of the Peruvian submarine zone. That was how we found those large underwater formations." He added that this will aid depth research by the submarine "Nautile." According to a spokesman for the expedition, it should reach Peru in 1988.

The investigations were done 40 to 90 kilometers off the coasts of Talara, Paita, Chiclayo, Trujillo, Chimbote, and Casma. Formations up to 6,000 meters in depth were found.

The mountain 1,000 meters high was found off the coast of Paita, the volcanoes in the Talara zone, the gorge off the coast of Chiclayo, and the formation of the basin off the Trujillo coast.

The studies done by French and U.S. experts--with Peruvian Felix Monge from the Geophysical Institute of Peru participating as a guest--revealed a series of formations and a fault superimposed on the Nazca Plate.

He added: "The gorge off the Chiclayo coast is a great discovery that will help study the strata or rocky sediment that emerge from the seabed. It will make it possible to date that material."

He said that the fault or formation of the basin was more surprising because, in studies of other places, faults were not normally found in the plates.

He indicated that the basin that is being formed will merge with the other in the Mendana zone off the coast of Chimbote and Casma which was formed thousands of years ago.

Jacques Chotin said that "Seabeam" sonar was used for the studies. It has 16 beams of sound waves integrated by computers which makes it possible to give a topographical profile of the seabed with a precision of 5 meters. That is as precise as a topographic land map.

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NATIONAL ANTARCTIC RESEARCH SEEN AS PRIORITY

Lima EL NACIONAL in Spanish 6 Aug 86 p 5

[First paragraph is EL NACIONAL introduction]

[Text] The slippage of an Antarctic glacier has already caused a drop in the temperature of the Peruvian sea. This will mean a time of great prosperity because of availability of marine resources.

Peru will again be a primary fishing power, according to the director of the IPEA [Peruvian Institute for Antarctic Studies], Prof Luis Vilchez Lara. He reported on the southern continent's influence on the climate and weather of our hemisphere, particularly Peru.

Vilchez Lara reported that this glacier slipped from Antarctica when the southern summer began last December. It is the size of Lima Department and is tabular (flat).

As a result of the slippage of this large mass of ice, there has been a noticeable drop in the temperature of the sea in the entire area of that continent which is where the entire world oceanographic system meets.

In the case of our sea, the temperature has already gone down 1 or 1.5 degrees with respect to normal levels. It is now 18 degrees while 19 degrees is normal. The scientist pointed out that Antarctica is the main source of climatic and meteorological changes on the planet because it has recorded the lowest temperatures on earth with an average of 89.2 degrees (and even 90 degrees) below zero.

The Peruvian Humboldt and Del Plata currents also originate there. There are also glaciers and winds including "glizzars" or "white winds" that carry particles of snow and move at velocities of 300 kilometers per hour.

South America, located only 1,000 kilometers from the cold continent, suffers the effect of these winds. They come in Peru especially in June, July, and August.

The well-known "Surazo" that lashes southeast Peru, particularly the department of Madre de Dios, produces abrupt drops in temperature from an average of 28 to 30 degrees to 8 or 10 degrees. It is a result of these winds.

The droughts that Puno suffers are another result of the Antarctic influence, according to the IPEA director. He was accompanied by the first civilian to visit that continent, oceanographic engineer Benjamin Vera.

Both researchers pointed out that since our climatic dependence on Antarctica is so great, state organizations should consider and give priority to the need to establish a Peruvian base to study this influence. Then plans for prevention of natural disasters and rehabilitation would not fail.

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BRIEFS

FRUIT, VEGETABLE EXPORT PLANS--According to a 2-year project, Peru is in the position to export 8,220 tons of fresh fruits and vegetables to the United States, Canada, and Europe in the first year with an FOB value of $9.8 million and 13,000 tons worth $15.8 million in the second year. This project was drawn up by an expert, Boyer Vital, at Peru's request. The study which began last 9 July was completed today in Lima. It is part of the support framework for the planning, execution, and supervision of foreign trade policies and programs, according to the general manager of FOPEX [Export Promotion Fund], Hugo Garcia Salvatecci. The study included superfine green peas, asparagus, mangoes, mandarin oranges, and strawberries. Some are already widely grown in Peru and others are crops to be introduced. The production situation of these fruits and vegetables was evaluated by visiting Huaral, Chimbote, Trujillo, and Piura. Harvesting and post-harvest methods were studied as were current problems in achieving products of export quality. The mission was in contact with producers, preprocessors, exporters, and technicians in order to do an integral study of export activity from the production and sales viewpoints. At the end, an export strategy was defined. It includes a number of specific proposals for measures to revitalize and give incentives to this sector of agriculture. It also includes production and export projects that could be carried out by the private sector with public support. [Text] [Lima EL NACIONAL in Spanish 7 Aug 86 p 14] 7717

BANPECO BECOMES COMMERCE BANK--BANPECO [Peruvian Bank of Commerce and Construction] decided to change its name to Commerce Bank because the old name no longer met current needs, according to the general manager of the bank, Giuseppe Di Francesco. This is the second time since it was founded 20 years ago that this bank has changed its name. It was first known as the Peruvian Bank of Construction and Development and then adopted the name BANPECO. Reportedly, Commerce Bank is a more modern name and also keeps it from being confused with other banks here. Di Francesco recalled that yesterday, 14 July, was the 20th anniversary of the day the Superintendence of Banking and Insurance granted its license. The bank now has 34 branches with capital of more than 60 million intis and employs 534 people. [Excerpts] [Lima EL COMERCIO in Spanish 15 Jul 86 p B-11] 7717

NEW SENATE OFFICE BUILDING--The president of the Senate, Luis Alberto Sanchez, walked yesterday from Congress to the new Senate building located on the third block of Junin and unveiled an inaugural plaque. He took all the security personnel guarding it by surprise. It should be pointed out that the only ones who accompanied Sanchez were Senator Carranza Piedra and some assistants. Sanchez gave a speech, pointing out the advantages of this building over the old Congress installations. The new building (formerly the Reisser Curioni Building) has a large basement, five floors, a conference room, and a dining room. It will go into use in approximately 45 days. The treasurer of the Senate, Rafael de la Guerra, said that the building cost 9.5 billion soles and another 3 billion soles have been invested in remodeling it. [Text] [Lima EL NUEVO DIARIO in Spanish 22 Jul 86 p 5] 7717

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VENEZUELA

BRIEFS

REVENUES, DISBURSEMENT FIGURES--During the first 6 months of 1986, Venezuela's overall revenues amounted to \$5.624 billion, while the country's disbursements for the same period totalled \$6.763 billion. Of this latter amount, \$2.439 billion, or approximately 36 percent, went to service the foreign debt, both public and private. [Summary] [Caracas EL UNIVERSAL in Spanish 22 Aug 86 p 2-6 PA]

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